Sunpower Group Reports Strong Steam Sales and Revenue Growth in HY2026

Key Highlights in HY2026

- **Total steam sales volume increased 12.7% year-on-year (YoY) to 6.56 million tonnes**
- **Group revenue increased 11.3% YoY to RMB1.78 billion, while GI recurring revenue rose 8.5% YoY to RMB1.70 billion**
- **Finance costs, excluding interest cost of CBs, declined 24.3% YoY following continued optimisation of the Group's capital structure**

Singapore, 12 August 2026 – Mainboard-listed Sunpower Group Ltd. ("**中圣集团**", "**Sunpower**" or the "**Group**"), reported strong operational growth for the first half ended 30 June 2026 ("**HY2026**"), underpinned by robust demand across its Green Investments ("**GI**") portfolio. During the period, the Group achieved growth in both steam sales volume and revenue despite a squeeze on margin due to higher fuel cost.

GI Financial Highlights

RMB million	HY2026	HY2025	YoY Chg
Total steam sales volume (million tonnes)	6.56	5.82	12.7%
GI recurring revenue[i]	1,704.5	1,571.7	8.5%
GI recurring gross profit[ii]	449.0	470.2	(4.5%)
GI recurring PATMI[iii]	201.5	204.8	(1.6%)

*Without Financial Effects of the Convertible Bonds (CBs)[iv].

Performance Review

During HY2026, total steam sales volume increased 12.7% YoY to 6.56 million tonnes, reflecting continued resilient customer demand and higher utilisation across the Group's GI portfolio. Industrial steam volume rose 13.1% YoY to 5.94 million tonnes, while heating volume increased 8.9% YoY to 0.61 million tonnes.

Supported by higher steam sales volumes, GI recurring revenue increased 8.5% YoY to RMB1.70 billion. Group revenue rose 11.3% YoY to RMB1.78 billion.

Despite the strong top-line growth, GI recurring gross profit declined 4.5% YoY to RMB449.0 million and GI gross margin moderated to 26.3% from 29.9% in HY2025. The decline was primarily attributable to the sharp increase in coal prices during the period which outpaced the corresponding adjustments in industrial steam selling prices under the Group's existing cost-linked pricing mechanism due to the inherent timing lag between changes in fuel costs and corresponding selling price adjustments. As a result, margins experienced temporary compression.

The impact was partially mitigated by the Group's proactive measures, including strategic coal procurement and inventory build-up ahead of the sharp rise in coal prices. As the pricing mechanism progressively catches up with higher fuel costs and the Group continues to execute its procurement and cost optimisation strategies, management expects margins to normalise over time.

The Group continued to exercise disciplined cost management. Finance costs, excluding interest cost of CBs**,** decreased 24.3% YoY to RMB60.8 million as the Group continued to optimise its capital structure and lower its borrowing costs. As a result, GI recurring PATMI remained resilient at RMB201.5 million, down only 1.6% YoY despite the temporary margin pressure.

GI recurring operating cash flow was RMB159.9 million, down 45.8% YoY. The lower operating cash flow during the period was mainly attributable to increase in coal procurement and inventory build-up during the period, as the Group strategically secured coal supplies ahead of further price increases. This proactive procurement strategy is expected to help mitigate fuel cost pressures and support improved margins over the forthcoming months.

Outlook

Sunpower operates 11 Green Investments ("GI") projects strategically located across key industrial parks and economic clusters in China, serving approximately 500 customers across over 20 industries. As an early practitioner of the Circular Economy Model, the GI business continues to generate resilient recurring income and strong long-term operating cash flows.

Looking ahead, the Group remains cautiously optimistic about the outlook for its GI business. Demand for clean and efficient industrial utility services is expected to remain resilient, supported by China's continued industrial upgrading, tightening environmental standards and ongoing commitment to high-quality development and the "Dual Carbon" strategy.

Coal prices remained volatile and on an upward trend in HY2026, with average prices increasing by more than 15% year-on-year. This elevated pricing environment is expected to persist into 2H2026[1].

In response, the Group has implemented a comprehensive mitigation strategy. This includes timely selling price adjustments, enhanced procurement and inventory management, increased use of alternative feedstock, reduced pipeline transmission losses, continued optimisation of financing costs, and the application of artificial intelligence (“AI”) to improve operational efficiency. Together, these initiatives are expected to strengthen the long-term resilience and profitability of the GI business.

Mr. Lin Jiankai, CEO and Executive Director of Sunpower, commented:

"Our first-half results demonstrate the resilience of Sunpower's GI business. We achieved growth in both steam sales volume and GI recurring revenue, reflecting the continued strength of customer demand and the quality of our operating assets. Although higher coal prices temporarily compressed margins due to the timing of price adjustments under our existing pricing mechanism, we maintained stable profitability through disciplined cost management and significantly lower finance costs.”

“Looking ahead, we will continue to execute our mitigation measures, utilise AI and digital technologies to enhance operational efficiency, and pursue disciplined growth opportunities that strengthen our long-term competitiveness and create sustainable shareholder value.”

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The Company uses the terms “GI recurring revenue”, “GI recurring EBITDA”, “GI recurring PATMI”, and “GI operating cash flow” to reflect the operating results of the GI business. This

[1] https://baijiahao.baidu.com/s?id=1870343254487824902&wfr=spider&for=pc

document should be read in conjunction with the Announcement of Unaudited Interim Financial Statements for Six Months 2026 released at the same time.

[i] GI recurring revenue refers to recurring revenue generated by the GI business, including commission fees recognised in accordance with SFRS(I) INT15. It excludes one-time contributions from services for BOT projects, including EPC services, that are performed by the Group's internal departments, recognised under IFRIC 12 Service Concession Arrangements (if any).

[ii] GI recurring gross profit refers to the revenue of the GI Business less the cost of goods sold (COGS) directly attributable to the operation of GI projects. It includes income from the sale of steam, electricity, and other recurring operating revenues of the GI Business and excludes the construction service revenue from service concession arrangements of BOT projects in accordance with IFRIC 12 Service Concession Arrangements. The COGS includes direct production costs such as raw materials, utilities, direct labour, and depreciation and amortisation expenses associated with the operation of GI facilities, and excludes indirect corporate costs, interest, income taxes, and any group-level or listing-related expenses.

[iii] GI recurring PATMI refers to the recurring Profit after Tax and Minority Interests of the GI Business which reflects the profit of the GI business attributable to the Group within the current period. It excludes one-time revenue contributions from services for BOT projects, including EPC services, that are provided by the Group's internal departments, recognised under IFRIC 12 Service Concession Arrangements; and expenses incurred by the Company that are not related to the running of the GI Business, such as listing-related expenses and remuneration of employees at the group level, etc.

[iv] Financial effects of CBs consist of unrealised foreign exchange translation and amortised interest costs of Convertible Bonds.

About Sunpower Group Ltd.

Sunpower Group Ltd. (SGX: 5GD.SI), founded in China in 1997 and listed on the Singapore Exchange in 2005, is a leading provider of clean utilities and industrial services in China. Through its 11 Green Investments ("GI") projects, Sunpower supplies clean steam, civil heating, electricity, and compressed air to approximately 500 customers across 20+ industries in key industrial parks. Leveraging on AI and advanced technologies, the Group delivers integrated circular economy solutions that promote energy efficiency, environmental protection and emissions reduction, supporting China's "Dual Carbon" goals. Recognised by multiple major national and provincial associations, Sunpower continues to expand its GI business while driving sustainable and long-term growth.

For more information, please refer to Sunpower's investor relations website, http://sunpower.listedcompany.com/. Investors can contact Sunpower at ir@sunpowergroup.com.cn.