



# **AGENDA**

- 01 Sunpower Group At a Glance
- 02 Investment Highlights
- 03 Project Updates
- 04 Outlook

## **Sunpower Group at a Glance**

Leading provider of clean industrial steam that generates recurring, long-term, high-quality income

Pioneer in application of the Circular Economy Model and helps to achieve Carbon Peak and Carbon Neutrality in China

GI

Focused on the investment and operation of centralised facilities to supply:

- > Clean industrial steam to a wide range of diverse industries
- > Pollution-free civil heating to a large base of households
- > Electricity to the State Grid
- > Certain projects supply products such as compressed air

Sizeable GI
Portfolio

11 in operation

+ Robust
pipeline

Typically Exclusive
Concessions

Typically ~30 years

Recurring Income 100%

Ultra-low Emissions Capability Circular Economy Model
Helps industrial parks achieve
ultra-low emissions

Total Pipeline
Length
~450 km

Number of
Customer Industries
> 20

Typically **B2B** arrangement with price adjustment mechanism

**Top 500 China Energy Enterprise (Group)** (1)

### **Sunpower Group at a Glance**

Robust performance in 1Q2025 continues to underline the resilience of GI business, bolstered by the superior business model

In 1Q2025, total steam sales volume rose 4.6% YoY to 2.99 mil tons. GI recurring gross profit rose 8.8% YoY to RMB227.3 mil, GI recurring PATMI<sup>(1)</sup> rose 9.3% YoY to RMB97.1 mil, GI recurring operating cashflow rose 27.8% YoY to RMB106.7 mil.

- Focused on improving shareholders' value and investor return: A substantial special dividend of S\$0.2412 per share was paid in 2021 following the disposal of the M&S business
- 7 Honoured with multiple awards for its outstanding performance, including:
- Member of the China Association of Environmental Protection Industry
- Member of Renewable Energy Generation Branch of China Electric Power Promotion Council
- Awarded "Advanced Unit for Green and Low-Carbon Development under 14th Five-Year Plan"
- Awarded "2024 Top 10 Green ESG Model Environmental Contribution"
- Won Deloitte's Inaugural Best Managed Companies Award In China





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### **Investment Highlights**

- Leading Industrial Steam Provider Aligned with National Policies
- Proven GI Business Model Generating Long-term High-quality Recurring Income
- Proven Track Record in Delivering Continuous Financial Growth
- Well Positioned to Capture Long-term Growth Potential
- Practises **ESG and Sustainability** Values
- Professional and Disciplined Management with Strong Execution and Entrepreneurship

# Leading Industrial Steam Provider Aligned with National Policies



# Leading market position with sizeable high-quality GI portfolio across developed areas in China

- Best-in-class industrial steam supplier
   Rapid expansion and quick scale-up to 11 projects in operation
- > Industry pioneer with strong brand equity







#### In alignment with national policies:

The 20<sup>th</sup> National Congress of the Communist Party of China <sup>(1)</sup>

- To reach peak carbon emissions in a well-planned and phased way
- To better control the amount and intensity of energy consumption
- To promote the clean and high-efficiency use of coal
- To improve the statistics and accounting system and the cap-and-trade system for carbon emissions
- To promote Centralized Steam Facilities
- To promote Circular Economy Development
- To promote the development of circular economy industrial parks
- To promote more efficient resource utilization
- To promote mass production model that emphasizes resource conservation and recycling

14<sup>th</sup> Five-Year Plan (2021-2025) (2)

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<sup>(1)</sup> http://english.www.gov.cn/news/topnews/202210/25/content WS6357df20c6d0a757729e1bfc.html

# Leading Industrial Steam Provider Aligned with National Policies



"Clean" solution for rising steam demand



Strategy aligned with the goals of Carbon Neutrality and Carbon Peak, and facilitates the early achievement



Already contributed to boiler shutdowns that reduced emissions

GI projects in operation have helped close **hundreds of** small highly pollutive low-efficiency boilers



Eliminate "Multiple" pollution risk sources with just a "single" centralized GI plant that helps industrial parks and their enterprises to comply with emissions standards



Annual reduction of CO<sub>2</sub> emissions > **600,000 tons** (1)



Expected to replace **more** high-polluting small boilers <sup>(1)</sup>



Annual reduction of dust,  $SO_2$  and  $NO_X > 65,000$  tons (1)



# **Leading Industrial Steam Provider Aligned with National Policies**



#### Pioneer adopter of the Circular Economy Model ("CEM")

The 14th Five-Year Plan promotes development of circular economy industrial parks and centralised steam facilities





#### **Benefits for Society**

- Achieves the comprehensive utilization of resources.
- Helps solve people's livelihood problems and improve their well-being.
- Facilitates the development of the circular economy of the country.



#### **Benefits for Industrial Parks**

- Helps parks eliminate multiple sources of pollution risks, and ensure safe and controlled emissions.
- Helps enterprises to achieve quality and sustainable development.
- Helps parks attract new investments and expand further, thus achieving win-win development.



#### **Benefits for the Shareholders**

- Realises additional revenue from sludge treatment and sale of waste products.
- Realises greater economies-of-scale from an integrated operational model
- Reduces costs from measures such as blending sludge as a coal substitute and use of treated recycled water.

### Proven GI Business Model Generating Long-term High-quality Recurring Income



#### **High entry barriers**

- Typically ~ 30-year exclusive concession rights with first right of renewal and/or
- **Text** Extensive network of pipelines that enhance *de facto* exclusivity in coverage areas



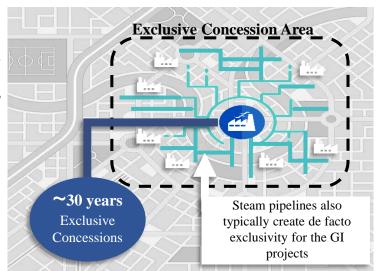
#### Strong tariff collection for industrial steam

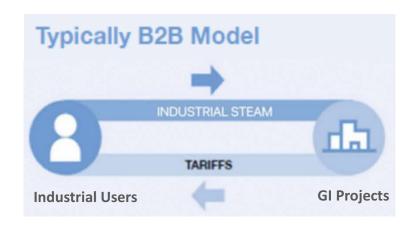
- **▼** Typically B2B model with industrial steam users
- Contracts to supply industrial steam are signed with customers instead of the government
- Steam is a non-discretionary production input and the GI plant is typically the exclusive centralised supplier within its coverage area



# Price adjustment mechanism links feedstock cost to industrial steam price

- Just 2 ways to adjust: 1) primarily to adjust based on certain change of the fuel price with customers; 2) to adjust based on the government price guidance
- **尽** Support long-term profitability when viewed across cycles
- Maintain operational flexibility to achieve long-term growth



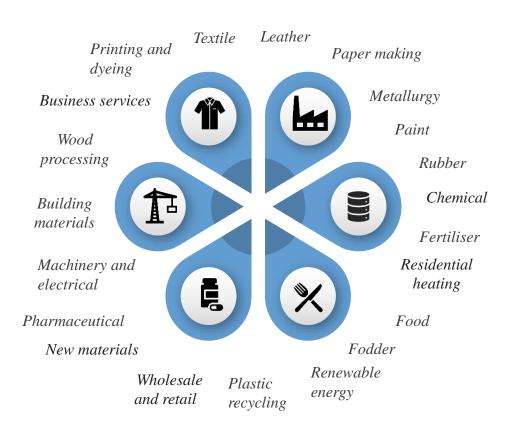


### Proven GI Business Model Generating Long-term High-quality Recurring Income

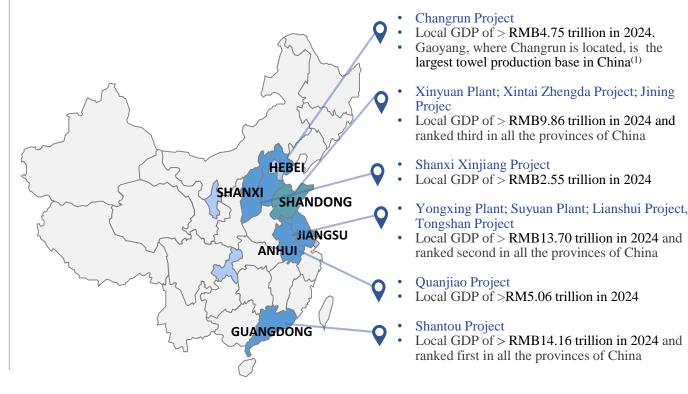
# 04

#### **Resilient demand for steam**

7 Large diversified customer base from a wide range of industries



**Economic viability** of downstream customer enterprises as they are located in industrial parks that are either located in economically developed areas or have industry clusters of excellence



### Proven GI Business Model Generating Long-term High-quality Recurring Income



#### **Application of innovative technologies**

#### **Long Distance Steam Distribution Pipelines Technology**

- Increase geographical reach to captive customers. Enable to achieve economies of scale
- Reduce feedstock ~ minimal temperature and pressure lost in transmission

#### **7** Environmental Protection Technologies

- Low nitrogen combustion technology
- Desulphurisation and denitrification technology
- Technology to eliminate haze and ammonia escape
- Bag filter + wet electrostatic precipitator

#### **▼** Energy Saving Technologies

- High efficiency heat exchange technology
- Gas-gas heater technology
- Low temperature economiser technology
- Flue gas sludge drying & comprehensive utilisation technology
- Strong and proven ability to revamp and upgrade acquired plants to improve operational efficiency



#### Ability to meet or be even lower than emission standard of natural gas

Emission Limit (mg/m³)	Newly-built Coal-fired Boilers <sup>(1)</sup>	Newly-built Coal-fired Power Generation Boilers <sup>(2)</sup>	Coal-fired Power Generation Boilers in Key Areas* (2)	Natural Gas Boilers & Gas Turbines <sup>(2)</sup>	Sunpower's Capabilities
Dust	50	30	20	5	< 5
$SO_2$	300	100	50	35	< 35
$NO_X$	300	100	100	50	< 50

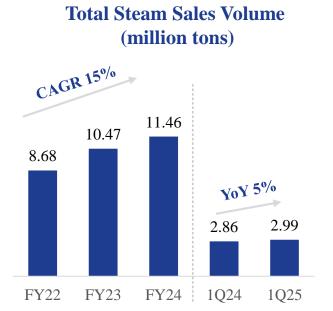
(1) 'Boiler Air Pollutant Emission Standard' by the Ministry of Ecology and Environment of the PRC (GB13271–2014) http://www.mee.gov.cn/ywgz/fgbz/bz/bz/bb/dqhjbh/dqgdwrywrwpfbz/20140530\_276318.shtml

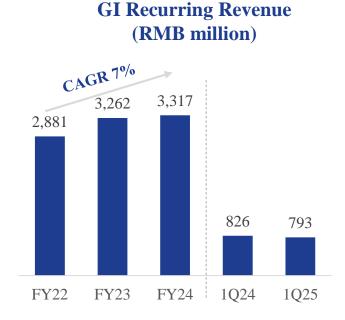
<sup>(2) &#</sup>x27;Emission Standard of Air Pollutants for Thermal Power Plants' by the Ministry of Ecology and Environment of the PRC (GB 13223-2011) http://www.mee.gov.cn/ywgz/fgbz/bz/bzwb/dqhjbh/dqgdwrywrwpfbz/201109/t20110921\_217534.shtml

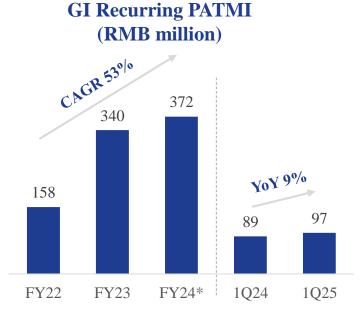
<sup>\*</sup> Key regions mainly refer to the Beijing-Tianjin-Hebei region, the Yangtze River Delta and the Pearl River Delta region

# **Proven Track Record in Delivering Continuous Financial Growth**

- 7 In 1Q25, total steam sales volume rose **4.6% YoY to 2.99 million**, driven by continuing ramp-up of existing GI projects.
- Robust performance in 1Q2025 continues to underline the resilience of GI business, bolstered by the superior business model: GI recurring PATMI (1) up **9.3% YoY** to RMB97.1 million.







<sup>\*</sup> Refers to the GI recurring PATMI excluding provision for bad debt.

<sup>(1)</sup> Please refer to the 1Q2025 Earnings Release or slide 40 of this presentation for definition. This document should be read in conjunction with the "1Q2025 Earnings Announcement" released at the same time.

# Well Positioned to Capture Long-term Growth Potential

01

The existing GI portfolio is still ramping up utilisation and is expected to have long-term growth

potential

Organic growth of industrial parks served by GI plants

Enterprises' continuous relocation to industrial parks due to government mandate and/or cost benefits

**Continuous closures of small boilers** drive demand to centralised facilities

**Existing customers continue to expand and increase capacity** 

AI (1) **Biomass** utilization **Leverage New Quality Productive Forces** (2), technological upgrades, Industrial Enhancement and operating cost **Demand** of project solid waste reductions to enhance efficiency and Growth project efficiency and profitability profitability, while seeking opportunities to expand Comprehensive coverage **Utilization of** vater resources Sludge recycling

## Well Positioned to Capture Long-term Growth Potential

# 02

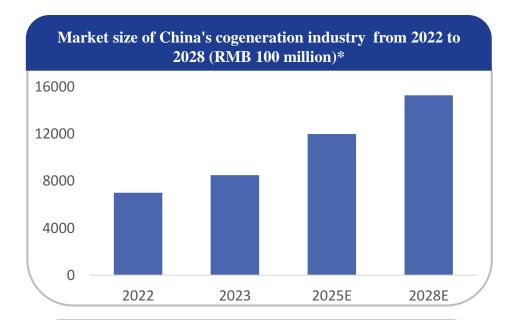
# Large addressable market for urban heat supply in China

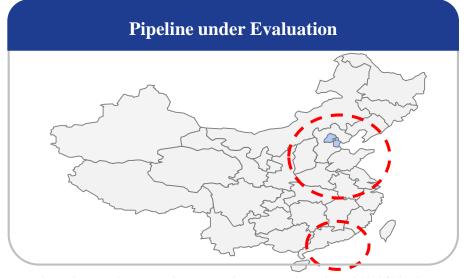
- 7 Combined Heat and Power (CHP) units and large-capacity boilers offer high fuel efficiency and lower environmental impact, and are expected to become the primary means of centralised steam/heating in China. The industry's market size is projected to be approx. RMB1.53 trillion by 2028.
- 7 This is expected to provide growth potential and opportunities for the GI industry



#### Robust pipeline of high-quality projects

- Disciplined investment strategy
- 7 Robust pipeline of projects in economically developed areas

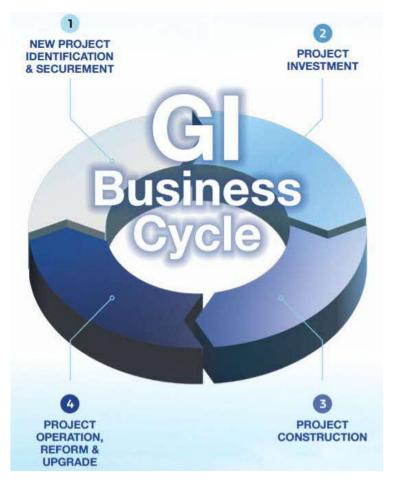




### Well Positioned to Capture Long-term Growth Potential



Sunpower has built mature and replicable business model with competitive edge across the GI business cycle which could drive immediate growth when the investments in selected projects are made.



#### 01

- Established and proven track record
- Experienced business teams
- Disciplined project sourcing and evaluation process
- > Robust pipeline being evaluated

#### 03

- Experienced in project planning, management and construction
- Complete supervision system that reduces potential construction and cost overrun risks
- Ability to apply integrated technologies for environmental protection & energy-saving

#### 02

- > Ability to establish high entry barriers
- Resilient and adaptable GI business model
- Strong strategic support by renowned PE firms DCP and CDH
- Multiple potential sources of capital to fund
   GI growth strategy

#### 04

- Seasoned management with proven track record in achieving excellent results
- Adoption of Circular Economy Model
- > Refined management of each project
- Know-how to reform and upgrade acquired plants to improve operational efficiency

### **Practises ESG and Sustainability Values**

- **7** Committed to sustainability by incorporating environmental, social and governance (ESG) values into every aspect.
- 7 Undertakes the social responsibility to support the sustainable development of the economy and helps to build ultra-low emission circular economy industrial parks.





Zero discharge of sewage



Zero discharge of sludge



Recycling of waste

#### **Environment**

- Pioneer in achieving carbon emission peak and carbon neutrality goals for China
- Helps to build zero-emission circular economy industrial parks and facilitate green sustainable development of the local economy
- Practises benefit-driven environmental protection to help the Company and customers attain quality, green and low-carbon growth
- Promotes the utilisation of biomass energy and achieves the integrated benefits of clean energy and rural ecology governance

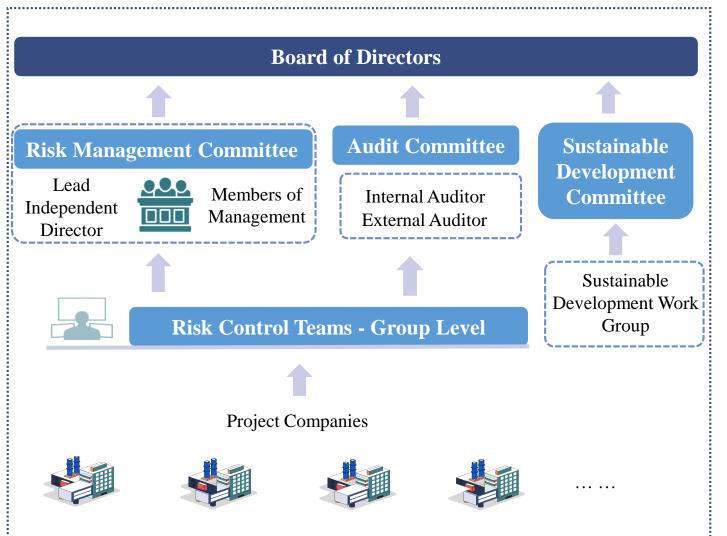
#### **Social**

- Protects the rights of employees through a sound personnel management system and a safe, healthy working environment
- Helps to increase and stabilise local employment and promotes the sustainability of enterprises and the local economy
- Participates in social welfare programs and contributes to the fight against the pandemic

#### Governance

- Wins the government's trust and support by addressing its key concerns through the Group's key competitive edges
- Complete operational system, risk management and internal control system in place to counter various risks, including compliance
- Zero tolerance for corruption and bribery, etc, with established policies to prohibit such misconduct

# Professional and Disciplined Management with Strong Execution and Entrepreneurship



- > Sunpower's management has created and refined an **Operational Management System** that targets to maximise efficiency and effectiveness and reduce the Group's exposure to risks.
- > Centralised management model that integrates resources for better technological innovation, transformation and refined management, as well as good control of procurement cost and oversight of a sizeable portfolio of GI projects across China.
- Comprehensive Budget Management System has been in place for decades.
- Sustainable Development Committee was set up to facilitate the sustainability of the Group

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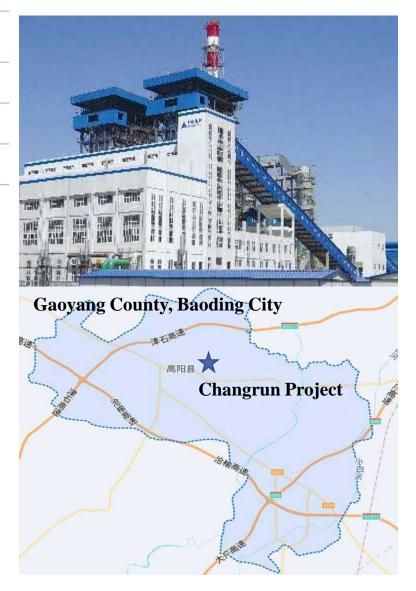


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# **Changrun Project**

Nameplate Capacity	2×220t/h (steam), 2×25MW (electricity)
Product mix	Industrial steam, electricity
Customer mix	~75 captive customers. Main products include towels, medicine, blankets, etc.
Location	Gaoyang County, Baoding City, Hebei Province
	<ol> <li>Excellent industrial cluster: the towel manufacturing industry is the leading local industry, accounting for nearly 1/3 of the national output. A complete industrial chain has been formed in the region</li> <li>Exclusive centralised steam supplier: ~30-year concession + first right to renew</li> <li>"Ultra-low emission" circular economy model: Treated wastewater is used to</li> </ol>
Project highlights	generate steam, sludge from industrial park is treated and used as boiler feedstock, while the project's waste outputs are sold to downstream factories  4. High IRR: double-digit investment returns  5. Growth potential: more enterprises are being relocated into the industrial park, with several new industrial customers commencing steam demand. Also exploring the addition of medium-pressure steam.



# **Shantou Project – Ramping Up Rapidly**

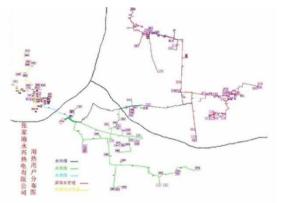
Nameplate Capacity	Phase 1: 3×150t/h (steam); Phase 2: 2 × 260t/h (steam)	
Product mix	Industrial steam, compressed air, electricity	
Mix of end- customers	Ready-made "base of end-users" of >100 qualified enterprises, involved in the printing & dyeing of cotton, polyester cotton, nylon, ribbons, and other fabrics, etc.	
Location	Shantou Textile Circular Economy Industrial Park in Chaonan, Shantou, Guangdong Province	
Project highlights	<ol> <li>Located in economically developed area and industrial park cluster with advantages: Guar China. Printing &amp; dyeing of textiles and garments is a pillar industry, with a full and mature val manufacturing base for women's inner wear in China, accounting for ~45% of the national output <sup>(1)</sup></li> <li>Exclusive centralised steam supplier within the coverage area with an operating concession of 3. High IRR: double-digit investment returns</li> <li>Circular Economy model: Uses treated wastewater to generate steam; blended combustion of mix. Project sells its production wastes as raw materials to downstream industries, which generates</li> <li>Proven to be Environmental-friendly: 4 generators to charge electricity at prices for generators</li> <li>Rapid ramp-up with growth potential of generating long-term, recurring and high-quality incom</li> <li>New revenue sources have been added, e.g. compressed air, waste products, sludge incineration</li> <li>Recognized as the leading model of the No.1 Lianjiang River Comprehensive Remediation Pro</li> <li>Located close to the port wharf, which makes for convenient unloading and drayage of feedsto</li> </ol>	ue chain in place. Shantou is the largest  -38.5 years  f industrial sludge to diversify feedstock additional revenue s with environmental protection devices me, services, etc.

# **Yongxing Plant**

Nameplate Capacity	350t/h (steam)+36MW (electricity) + capacity supplemented by the solid waste JV plant
Product mix	Industrial steam & electricity
Customer mix	Diversified industries in textile, printing and dyeing, food, chemical, paper making, renewable energy, machinery manufacturing, etc.
Location	Zhangjiagang City, Suzhou City, Jiangsu Province
Plant highlights	<ol> <li>Superior geographical location: Located in an economically developed region, with diversified customer industries. Coverage area is up to 173 sq km</li> <li>Reliable business model:         <ul> <li>Exclusive centralised steam supplier, with an extensive network of pipelines that enhances its de facto exclusivity</li> <li>Ultra-low emissions, even lower than the emission standard of natural gas</li> </ul> </li> <li>Circular economy model: River water used to generate steam; blended combustion of industrial sludge diversifies feedstock mix; production wastes such as gypsum are sold to downstream building material factories</li> <li>Feedstock transportation dock nearby facilitates feedstock transportation</li> <li>Post-M&amp;A completion of upgrades has seen operating efficiency and performance notably improved</li> <li>General solid waste JV plant (28% stake) is in operation, which provides supplemental capacity to</li> </ol>
	Yongxing Plant
	7. Long-term growth potential







# **Xinyuan Plant**

M&A Consideration	~RMB212.5 million
Nameplate Capacity	3×75t/h + 1 ×220t/h (steam), 2 × 6MW (electricity)
Product mix	Industrial steam, heating, and electricity
Mix of end- customers	Industrial end-customers concentrated in the energy, printing & dyeing, and clothing industries, etc.  Supply heating to residential households
Location	Jimo District, Qingdao City, Shandong Province
Plant highlights	<ol> <li>Located in economically developed areas:</li> <li>Qingdao's GDP was close to RMB1.67 trillion in 2024</li> <li>That Jimo became one of the district of Qingdao City from a county-level city in 2017 has been boosting its rapid development and growth</li> <li>Major upgrade and reform were implemented to improve the operation efficiency post the M&amp;A</li> <li>Further expanded heating supply coverage area by 2 million m² area in Jimo International Trade Park in 1Q2021. The city heating network system for the new concession area in Jimo International Trade Park was completed and Xinyuan project has started to supply heating.</li> <li>Implement of new feedstock procurement and its large storage space enables the low-season storage and further control of fuel cost</li> <li>Professional and experienced team that ensures continued smooth operation</li> </ol>





# **Suyuan Plant**

M&A Consideration	~RMB293 million
Nameplate Capacity	3×75t/h (steam), 1 × B6MW (electricity)
Product mix	Industrial steam and electricity
Customer base	Concentrated in printing & dyeing industry in coral velvet, soft velvet, polar velvet, super soft velvet, etc.
Location	Changshu City, Suzhou City, Jiangsu Province
Plant highlights	<ol> <li>Located in developed economy region with the advantage of industrial cluster:         <ul> <li>Changshu ranked among top 4 county-level cities in China for economic vitality (1)</li> <li>Textile industry has been a mainstay of Changshu's economy for the last 40 years with annual turnover of &gt;RMB100 billion</li> <li>Located in a high-quality printing &amp; dyeing development areaCertain new enterprises have relocated into its coverage area</li> </ul> </li> <li>Exclusive centralized steam supplier within coverage area with resilient and attractive customer base provided by the established textile industry cluster</li> <li>Continuous upgrade after M&amp;A: major upgrades were implemented, operational performance and efficiency have been further improved</li> <li>Circular economy model: Recycling customers' condensation water to generate steam; using general solid waste to supplement the main feedstock</li> <li>Growth potential: printing &amp; dyeing enterprises elsewhere expected to relocate in</li> </ol>





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# Xintai Project

Nameplate Capacity	Steam/heating: coal-fired boilers, 2 x 130t/h; biomass boiler: 1 x 130t/h		
	Electricity: 1 x C30MW + 1 x B18MW		
Product mix	Industrial steam, heating, and electricity		
Location	Tai'an City, Shandong Province		
Customer base	Supply heating to the residential household users		
Customer base	Industrial steam users include chemical, biotechnology, cardboard, fertilizer, etc		
	1. Exclusive supplier with ~30-year concession right		
	2. Located in a provincial-level economic development zone		
	2. Locateu in a provinciai-ievei economic development zone		
	3. Industrial customers span several industries that mainly include chemical, biotechnology, cardboard and fertilizer, etc		
Project highlights	4. New plant of Xintai Zhengda Project included in the Renewable Energy Power Generation Subsidy List and will receive feed-in tariff subsidies for electricity generated by its biomass boiler in due course		
	5. Xintai Project helps the local government to address the people's livelihood issues		
	<b>6. Growth potential:</b> continued ramp-up of the customers, and continue to explore more industrial users		





# **Tongshan Project**

Nameplate Capacity	Phase 1: 1 × 130t/h (steam)+ 1 ×35MW (electricity)
Product mix	Industrial steam, heating, and electricity
Location	Tongshan District, Xuzhou City, Jiangsu Province
	1. Located in an economically developed area with potential for development and growth:
	<ul> <li>Tongshan District ranked 28th among China's Top 100 Districts for investment potential in 2018</li> </ul>
	The industrial park is a state-level development zone
	2. Exclusive supplier with ~30-year concession right
Project highlights	3. Uses biomass such as bark, straw, and other agricultural product wastes as feedstock. Access to multiple sources of biomass to meet the project's feedstock demand
	4. Tongshan helps the local government to address the people's livelihood issues, alleviate cost of heating subsidies, reduce pollution and realise energy conservation. Project is aligned with China's national development policies.
	5. Ready base of residential customers in concession area
	6. Expected to continue to ramp up: in process of expanding industrial customer base





# **Shanxi Xinjiang Project**

Nameplate Capacity	Phase 1: 1 ×130t/h (steam)+ 1 ×C15MW (electricity)
Product mix	Industrial steam and electricity
Customer mix	industries such as high-end equipment manufacturing, new materials, fine chemicals, urea, and dyes are concentrated in the industrial park
Location	Xinjiang County, Yuncheng City, Shanxi Province
Project highlights	<ol> <li>Located in Xinjiang Circular Economy Demonstration Park (the "Park"), one of three fine chemical industrial parks in Shanxi Province, was approved as a provincial level industrial park in 2019</li> <li>Operating concession was signed for investment, construction, and operation of cogeneration plants within 25 km of steam supply area</li> <li>Close proximity to fuel resources: surrounding cities and counties have abundant coal resources and developed in ore washing and other industries</li> <li>In commercial operation since the end of 2023. Currently, Shanxi Xinjiang Project is in ramp-up phase and securing industrial users</li> </ol>



# **Lianshui Project**

Nameplate Capacity	2×40t/h (steam)
Product	Industrial steam
Location	Lianshui Economic Development Park, Lianshui County, Huai'an City, Jiangsu Province
	<ol> <li>Exclusive centralised steam supplier with an operating concession of ~30 years</li> <li>Excellent geographical location: Located in Jiangsu Province, of which GDP ranked 2<sup>nd</sup> place in China, while its converge area is a provincial-level economic development zone</li> <li>Diversified industries in the park: industries include food brewing, pharmaceutical and</li> </ol>
Project highlights	chemical industries, special chemical fibers, textile and garment, new energy and new materials, etc
	<ul> <li>4. Major customers are high quality: there are leading enterprises in its industry, companies with trademarks and provincial high-tech enterprises</li> <li>5. Disciplined and experienced management team</li> </ul>





# Quanjiao Project

Nameplate Capacity	Phase 1: 1×40t/h (steam)  Phase 2: 1×50t/h (steam)
Product	Industrial steam
Location	Quanjiao Economic Development Park, Quanjiao County, Chuzhou City, Anhui Province
Project highlights	<ol> <li>Exclusive centralised steam supplier: ~30-year concession + first right to renew</li> <li>Located in an excellent industrial park: provincial-level economic development zone, with four major industrial clusters, mainly include mechanical manufacturing, white goods, agricultural product processing, toys and clothing, etc.</li> <li>Quality Industrial: downstream users include some listed companies, covering a wide range of industries</li> <li>Growth potential: the industry park is still under development and the addition of the biomass boilers will enable the growth</li> <li>Continuous implementation of refined management</li> </ol>



# **Jining Project**

Product	Industrial steam	
<b>Equity Interest</b>	49.0%	
Nameplate Capacity	Procurement of steam from the local plant and supply to the industrial users within its coverage through long distance steam distribution pipelines	
Location	Wenshang County, Jining City, Shandong Province	#1 W
Project highlights	<ol> <li>Exclusive centralised steam supplier: ~30-year concession</li> <li>Strong partner: Jining Mining Industry, a state-owned enterprise, holds the remaining 51%</li> <li>Excellent geographical location: Located in the economically developed Shandong Province, the industrial park that it covers has strong industrial activities</li> <li>Growth potential: the expansion of the 2nd phase pipeline network has been completed and in operation since 2023, and the demand for steam is expected to increase</li> <li>Made investments in solar projects in the industrial park</li> <li>Attractive investment returns</li> </ol>	







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### FY2025 Outlook

Barring unforeseen circumstances, the Group expects the business trends summarised below to benefit its business in FY2025. Please note that our financial results should be viewed on a 12-month basis to arrive at a balanced perspective.

#### **7** Continued Ramp-Up of Existing GI Plants:

The existing 11 GI projects continue to ramp up, supported mainly by the closure of small boilers, expansion of existing customers, relocation of new factories into industrial parks, and the long-term structural development of these parks.

- > For Changrun Project, more enterprises are being relocated into the industrial park and it is exploring the addition of medium-pressure steam.
- > For Shantou Project, steam demand is expected to remain strong.
- > Yongxing Plant's general solid waste JV plant is in operation, supplementing its existing capacity.
- > Quanjiao Project's biomass boiler, built to supply industrial steam, is currently in operation.
- > Xinjiang Project will continue its ramp-up.
- > Jining Project phase 2 will be adding more connections to customers.
- New plant of Xintai Zhengda Project included in the Renewable Energy Power Generation Subsidy List and will receive feed-in tariff subsidies for electricity generated by its biomass boiler in due course.

### FY2025 Outlook

Barring unforeseen circumstances, the Group expects the business trends summarised below to benefit its business in FY2025. Please note that our financial results should be viewed on a 12-month basis to arrive at a balanced perspective.

#### **7** Continued Execution of Holistic Strategy to Solidify GI Business Profitability:

- > Leverage AI to enhance efficiency and reduce operational costs
- > Maintain execution of price adjustment mechanism
- > Lower financing cost by optimising bank loan structure and reducing interest rates
- > Refine management of each project to reduce manufacturing cost, including feedstock cost reduction via procurement optimisation strategies and feedstock mix adjustments
- > Implement technological transformation to enhance operational efficiency.
- > Tap into beneficial economies of scale in the GI business.
- > Explore new business opportunities in the medium to long-term.

## Well Positioned to Focus on its Corporate Strategy Following CB Redemption

With the full redemption of its previous outstanding convertible bonds (CBs) with aggregate principal amount of approximately US\$130 million that matured in April 2025, the Group has resolved a key capital structure overhang.

In 1Q 2025, the Group made three partial repayments of the CBs funded through the current resources of the Group, namely bank borrowings. In April 2025, it fully redeemed the remaining CBs following the completion of a successful rights issue of new CBs that raised an aggregate amount of S\$99.46 million.

With this significant milestone achieved, the Group will be able to focus on its corporate strategy, which is anchored on its GI business model and supported by core structural growth drivers.

<sup>\*</sup>For complete information, please refer to the announcements made by the Company between 9 December 2024 and 7 April 2025.



# **Appendices**

### **Financial Effects of the Convertible Bonds**

Following the full redemption of the previous Convertible Bonds (approximately US\$130 million issued in March 2017 and October 2018) in April 2025, new Convertible Bonds (the "current CBs") with a principal amount of S\$99.46 million, a 7.0% coupon, and a S\$0.25 conversion price were issued on 3 April 2025. They are due in April 2030.

In accordance with SFRS(I), the financial effects recognised in profit or loss include: (i) fair value change arising from the conversion option, (ii) amortised interest on the liability component of the Convertible Bonds, and (iii) unrealised foreign exchange translation gains or losses.

The above-mentioned financial effects to the statement of profit or loss and other statements have no cash flow or operational impact on the financial performance of the Group.

# **Group Income Statement Summary** (Without the financial effects of CBs)\*

(RMB million)	1Q 2025	1Q 2024
Revenue	793.1	825.8
Gross Profit	227.3	209.0
EBITDA	244.1	262.0
Profit for the period (net of tax)	110.8	120.2

<sup>\*</sup>Group results reflect the results of continuing operations, without the financial effects of CBs.

<sup>\*</sup> This slide should be read in conjunction with the Unaudited Interim Financial Statements for the First Quarter Ended 31 March 2025 released at the same time, in particular the "Basis of Preparation".

# Group Balance Sheet Summary (Without the financial effects of CBs)\*

(RMB million)	As of 31 March 2025	As of 31 December 2024
Cash and cash equivalents & pledged bank deposits	954.8	1,406.8
Trade Receivables	913.2	879.0
Inventories	102.5	167.0
Total Current Assets	2,275.8	2,713.8
Non-Current Assets	5,541.4	5,593.5
Short-term Borrowings	1,643.4	1,653.8
Current Liabilities	2,448.0	3,150.8
Convertible bonds liability	112.4	716.0
Long-term Borrowings	2,111.6	2,009.0
Equity attributable to equity holders of the Company	2,486.8	2,400.9
Total equity	3,040.9	2,930.1

<sup>\*</sup> Group results reflect the results of continuing operations, without the financial effects of CBs.

<sup>\*</sup> This slide should be read in conjunction with the Unaudited Interim Financial Statements for the First Quarter Ended 31 March 2025 released at the same time, in particular the "Basis of Preparation".

## **Group Cash Flow Summary** (Without the financial effects of CBs)\*

(RMB million)	1Q 2025	1Q 2024
Net cash from operating activities	90.2	77.4
Underlying operating cash flow	101.2 (1)	$100.8^{(2)}$
Net cash used in investing activities	(25.7)	(37.0)
Net cash used in financing activities	(510.2)	(21.1)

<sup>(1)</sup> Underlying operating cash flow adjusting for CB interest of RMB11.0 million

<sup>(2)</sup> Underlying operating cash flow adjusting for CB interest of RMB23.4 million

<sup>\*</sup> Group results reflect the results of continuing operations, without the financial effects of CBs.

<sup>\*</sup> This slide should be read in conjunction with the Unaudited Interim Financial Statements for the First Quarter Ended 31 March 2025 released at the same time, in particular the "Basis of Preparation".

### Definitions of GI recurring revenue, EBITDA and PATMI

The Company uses the terms "GI recurring revenue", "GI recurring EBITDA", "GI recurring PATMI", and "GI recurring operating cashflow" to reflect the operating results of the GI business. This document should be read in conjunction with the 6M and 12M 2024 Earnings Announcement" released at the same time.

**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 project management department, recognised under IFRIC 12 Service Concession Arrangements (if any).

GI recurring EBITDA refers to the recurring Earnings before Interest, Tax, Depreciation and Amortisation of the GI Business. It excludes one-time contributions from services for BOT projects, including EPC services, that are provided by the Group's internal project management department, recognised under IFRIC 12 Service Concession Arrangements; as well as expenses incurred by the Company that are not related to the running of the GI Business, such as listing-related expenses and remuneration of the employees at the group level, etc., which reflects the operating results of the GI business within the current period.

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 project management department, 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.

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