

## SUNPOWER GROUP LTD.

### Unaudited Interim Financial Statements for the First Quarter Ended 31 March 2025

#### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### UNAUDITED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2025

(RMB'000)	Note	Actual (WITH financial effects of Convertible Bonds)			Actual (WITHOUT financial effects of Convertible Bonds)		
		First quarter ended			First quarter ended		
		31 March 2025	31 March 2024	% change	31 March 2025	31 March 2024	% change
<b>Revenue</b>		793,139	825,849	(4.0%)	793,139	825,849	(4.0%)
Cost of sales		(565,883)	(616,890)	(8.3%)	(565,883)	(616,890)	(8.3%)
<b>Gross profit</b>		<b>227,256</b>	<b>208,959</b>	<b>8.8%</b>	<b>227,256</b>	<b>208,959</b>	<b>8.8%</b>
Other operating income	1	2,540	21,998	(88.5%)	2,540	21,998	(88.5%)
Selling and distribution expenses		(17,487)	(16,905)	3.4%	(17,487)	(16,905)	3.4%
Administrative expenses		(24,430)	(20,646)	18.3%	(24,430)	(20,646)	18.3%
Foreign exchange gain/(loss)		2,432	(872)	(378.9%)	79	354	(77.7%)
Other operating expenses		(11,334)	(936)	n.m.	(11,334)	(936)	n.m.
Finance costs		(57,286)	(70,187)	(18.4%)	(41,246)	(46,393)	(11.1%)
Share of profit of associate		1,649	1,922	(14.2%)	1,649	1,922	(14.2%)
<b>Profit before income tax</b>	2	<b>123,340</b>	<b>123,333</b>	<b>0.0%</b>	<b>137,027</b>	<b>148,353</b>	<b>(7.6%)</b>
Income tax expense		(26,194)	(28,151)	(7.0%)	(26,194)	(28,151)	(7.0%)
<b>Profit for the period</b>		<b>97,146</b>	<b>95,182</b>	<b>2.1%</b>	<b>110,833</b>	<b>120,202</b>	<b>(7.8%)</b>
Profit for the period attributable to:							
Equity holders of the Company		72,231	55,996	29.0%	85,918	81,016	6.1%
Non-controlling interests		24,915	39,186	(36.4%)	24,915	39,186	(36.4%)
<b>Profit for the period</b>		<b>97,146</b>	<b>95,182</b>	<b>2.1%</b>	<b>110,833</b>	<b>120,202</b>	<b>(7.8%)</b>
Total comprehensive income for the period attributable to:							
Equity holders of the Company		72,231	55,996	29.0%	85,918	81,016	6.1%
Non-controlling interests		24,915	39,186	(36.4%)	24,915	39,186	(36.4%)
<b>Total comprehensive income for the period</b>		<b>97,146</b>	<b>95,182</b>	<b>2.1%</b>	<b>110,833</b>	<b>120,202</b>	<b>(7.8%)</b>

n.m. denotes not meaningful

#### Explanatory Note for WITHOUT financial effects of Convertible Bonds:

- (1) Financial effects of Convertible Bonds consist of unrealised foreign exchange translation and amortised interest costs of Convertible Bonds.

## 1(a)(ii) Other information:

### Note 1: Other Operating Income

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)			Actual (WITHOUT financial effects of Convertible Bonds)		
	First quarter ended			First quarter ended		
	31 March 2025	31 March 2024	% change	31 March 2025	31 March 2024	% change
Government grants	1,006	1,150	(12.5%)	1,006	1,150	(12.5%)
Reversal of impairment loss for trade receivable subject to Expected Credit Loss ("ECL")	-	5,114	(100.0%)	-	5,114	(100.0%)
Interest income	1,166	1,356	(14.0%)	1,166	1,356	(14.0%)
Government rebates	165	31	432.3%	165	31	432.3%
Gain on carbon emission quota	-	13,979	(100.0%)	-	13,979	(100.0%)
Others	203	368	(44.7%)	203	368	(44.7%)
<b>Total</b>	<b>2,540</b>	<b>21,998</b>	<b>(88.5%)</b>	<b>2,540</b>	<b>21,998</b>	<b>(88.5%)</b>

**Note: There is no difference for other operating income with and without financial effects of Convertible Bonds for the first quarter ended 31 March 2025.**

### Note 2: Profit Before Income Tax

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)			Actual (WITHOUT financial effects of Convertible Bonds)		
	First quarter ended			First quarter ended		
	31 March 2025	31 March 2024	% change	31 March 2025	31 March 2024	% change
Depreciation of property, plant and equipment	11,123	12,834	(13.3%)	11,123	12,834	(13.3%)
Depreciation of right-of-use asset	1,762	1,738	1.4%	1,762	1,738	1.4%
Amortisation of intangible assets	52,905	52,633	0.5%	52,905	52,633	0.5%
Amortisation of contract cost	59	-	-	59	-	-
Impairment loss/(Reversal of impairment loss) on trade and other receivables subject to ECL, net	11,198	(5,114)	(319.0%)	11,198	(5,114)	(319.0%)
Loss on disposal of property, plant and equipment and intangible assets	12	107	(88.8%)	12	107	(88.8%)
Foreign exchange (gain)/loss - net	(2,432)	872	(378.9%)	(79)	(354)	(77.7%)
Finance costs	57,286	70,187	(18.4%)	41,246	46,393	(11.1%)

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement at the end of the immediately preceding financial year.**

**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Actual (WITH financial effects of Convertible Bonds)			
	Group		Company	
	As at 31 March 2025 (Unaudited)	As at 31 December 2024 (Audited)	As at 31 March 2025 (Unaudited)	As at 31 December 2024 (Audited)
<b>(RMB'000)</b>				
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	748,159	1,193,847	3,953	398,726
Pledged bank deposits	206,592	212,961	-	-
Trade receivables	913,182	878,985	-	-
Other receivables, deposits and prepayments	220,656	191,826	60,866	173,656
Inventories	102,525	167,011	-	-
Financial assets at fair value through other comprehensive income	84,734	69,187	-	-
<b>Total current assets</b>	<b>2,275,848</b>	<b>2,713,817</b>	<b>64,819</b>	<b>572,382</b>
<b>Non-current assets:</b>				
Property, plant and equipment	489,036	498,195	-	-
Other receivables, deposits and prepayments	87,896	83,648	-	-
Financial assets at fair value through other comprehensive income	2,577	2,577	-	-
Right-of-use assets	221,869	223,275	-	-
Subsidiaries	-	-	914,379	914,379
Associates	67,120	65,471	-	-
Intangible assets	4,180,129	4,228,770	-	-
Deferred tax assets	77,182	75,948	-	-
Goodwill	415,582	415,582	-	-
<b>Total non-current assets</b>	<b>5,541,391</b>	<b>5,593,466</b>	<b>914,379</b>	<b>914,379</b>
<b>Total assets</b>	<b>7,817,239</b>	<b>8,307,283</b>	<b>979,198</b>	<b>1,486,761</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Trade payables, other payables and contract liabilities	666,186	774,274	665,274	587,290
Borrowings	1,643,393	1,653,812	-	-
Lease Liabilities	1,293	1,293	-	-
Convertible bonds	512,675	1,080,311	512,675	1,080,311
Income tax payable	24,672	27,697	-	-
<b>Total current liabilities</b>	<b>2,848,219</b>	<b>3,537,387</b>	<b>1,177,949</b>	<b>1,667,601</b>
<b>Non-current liabilities:</b>				
Deferred tax liabilities	216,370	216,996	-	-
Borrowings	2,111,564	2,008,960	-	-
Lease liabilities	444	444	-	-
<b>Total non-current liabilities</b>	<b>2,328,378</b>	<b>2,226,400</b>	<b>-</b>	<b>-</b>

Actual (WITH financial effects of Convertible Bonds)				
	Group		Company	
	As at 31 March 2025 (Unaudited)	As at 31 December 2024 (Audited)	As at 31 March 2025 (Unaudited)	As at 31 December 2024 (Audited)
<b>(RMB'000)</b>				
<b>Capital and reserves:</b>				
Share capital	57,662	57,662	57,662	57,662
Share premium	313,653	313,653	313,653	313,653
General reserves	376,531	366,056	-	-
Share option reserve	319	319	319	319
Revaluation reserve	(1,694)	(1,694)	-	-
Retained earnings (Accumulated losses)	1,340,059	1,278,303	(570,385)	(552,474)
<b>Equity (Deficit) attributable to equity holders of the Company</b>	<b>2,086,530</b>	<b>2,014,299</b>	<b>(198,751)</b>	<b>(180,840)</b>
Non-controlling interests	554,112	529,197	-	-
Total equity (deficit)	2,640,642	2,543,496	(198,751)	(180,840)
<b>Total liabilities and equity</b>	<b>7,817,239</b>	<b>8,307,283</b>	<b>979,198</b>	<b>1,486,761</b>

	Actual (WITHOUT financial effects of Convertible Bonds)			
	Group		Company	
	As at 31 March 2025 (Unaudited)	As at 31 December 2024 (Audited)	As at 31 March 2025 (Unaudited)	As at 31 December 2024 (Audited)
(RMB'000)				
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	748,159	1,193,847	3,953	398,726
Pledged bank deposits	206,592	212,961	-	-
Trade receivables	913,182	878,985	-	-
Other receivables, deposits and prepayments	220,656	191,826	60,866	173,656
Inventories	102,525	167,011	-	-
Financial assets at fair value through other comprehensive income	84,734	69,187	-	-
<b>Total current assets</b>	<b>2,275,848</b>	<b>2,713,817</b>	<b>64,819</b>	<b>572,382</b>
<b>Non-current assets:</b>				
Property, plant and equipment	489,036	498,195	-	-
Other receivables, deposits and prepayments	87,896	83,648	-	-
Financial assets at fair value through other comprehensive income	2,577	2,577	-	-
Right-of-use assets	221,869	223,275	-	-
Subsidiaries	-	-	914,379	914,379
Associates	67,120	65,471	-	-
Intangible assets	4,180,129	4,228,770	-	-
Deferred tax assets	77,182	75,948	-	-
Goodwill	415,582	415,582	-	-
<b>Total non-current assets</b>	<b>5,541,391</b>	<b>5,593,466</b>	<b>914,379</b>	<b>914,379</b>
<b>Total assets</b>	<b>7,817,239</b>	<b>8,307,283</b>	<b>979,198</b>	<b>1,486,761</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Trade payables, other payables and contract liabilities	666,179	751,989	665,274	565,012
Borrowings	1,643,393	1,653,812	-	-
Lease Liabilities	1,293	1,293	-	-
Convertible bonds <sup>1</sup>	112,423	716,024	112,423	716,024
Income tax payable	24,672	27,697	-	-
<b>Total current liabilities</b>	<b>2,447,960</b>	<b>3,150,815</b>	<b>777,697</b>	<b>1,281,036</b>
<b>Non-current liabilities:</b>				
Deferred tax liabilities	216,370	216,996	-	-
Borrowings	2,111,564	2,008,960	-	-
Lease liabilities	444	444	-	-
<b>Total non-current liabilities</b>	<b>2,328,378</b>	<b>2,226,400</b>	<b>-</b>	<b>-</b>
<b>Capital and reserves:</b>				
Share capital	57,662	57,662	57,662	57,662
Share premium	313,653	313,653	313,653	313,653
General reserves	376,531	366,056	-	-
Share option reserve	319	319	319	319
Revaluation reserve	(1,694)	(1,694)	-	-
Retained earnings (Accumulated losses)	1,740,318	1,664,875	(170,133)	(165,909)
<b>Equity attributable to equity holders of the Company</b>	<b>2,486,789</b>	<b>2,400,871</b>	<b>201,501</b>	<b>205,725</b>
Non-controlling interests	554,112	529,197	-	-
<b>Total equity</b>	<b>3,040,901</b>	<b>2,930,068</b>	<b>201,501</b>	<b>205,725</b>
<b>Total liabilities and equity</b>	<b>7,817,239</b>	<b>8,307,283</b>	<b>979,198</b>	<b>1,486,761</b>

<sup>1</sup> Financial effects of Convertible Bonds consisting of unrealised foreign exchange translation, amortised interest expense (inclusive of interest charges) of Convertible Bonds have no operational effect to the financial performance of the Group.

**1(b)(ii) Aggregate amount of group borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

	<u>As at 31 March 2025</u>		<u>As at 31 December 2024</u>	
(RMB'000)	Secured	Unsecured	Secured	Unsecured
Borrowings	<u>1,643,393</u>	<u>-</u>	<u>1,643,812</u>	<u>10,000</u>

**Amount repayable after one year**

	<u>As at 31 March 2025</u>		<u>As at 31 December 2024</u>	
(RMB'000)	Secured	Unsecured	Secured	Unsecured
Borrowings	<u>2,111,564</u>	<u>-</u>	<u>2,008,960</u>	<u>-</u>

**Details of any collaterals:**

**Collaterals**

	<u>As at 31 March 2025 (RMB'000)</u>	<u>As at 31 December 2024 (RMB'000)</u>
Secured by building, land use rights, and service concession arrangement and equipment, pledged bank deposit of the subsidiary	1,992,312	2,101,538
Guaranteed by the subsidiary	1,420,650	1,195,136
Secured by building, land use rights, and service concession arrangement and equipment of the subsidiary, and guaranteed by the Company	<u>341,995</u>	<u>356,098</u>

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2025**

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)	
	First quarter ended	
	31 March 2025	31 March 2024
<b>Operating activities</b>		
Profit before income tax	123,340	123,333
Adjustments for:		
Depreciation of property, plant and equipment	11,123	12,834
Depreciation of right-of-use asset	1,762	1,738
Amortisation of intangible assets	52,905	52,633
Amortisation of contract cost	59	-
Interest expense	57,286	70,187
Exchange differences arising on foreign currency translation	(79)	(354)
Share of profit of associate	(1,649)	(1,922)
Impairment loss on pledged bank deposits	-	29
Net loss on disposal of property, plant and equipment	12	107
Interest income	(1,166)	(1,356)
Impairment loss/(Reversal of impairment loss) on trade and other receivables subject to ECL, net	11,198	(5,114)
Exchange (gain)/loss on convertible bonds	(2,353)	1,226
Operating cash flows before movements in working capital	252,438	253,341
Trade receivables	(35,179)	(70,767)
Financial assets at fair value through other comprehensive income	(15,615)	(13,553)
Other receivables and prepayments	(37,345)	(8,772)
Inventories	64,486	77,238
Trade payables, other payables and contract liabilities	(66,057)	(95,971)
Cash generated from operations	162,728	141,516
Income tax paid	(32,229)	(27,836)
Interest paid	(41,447)	(37,647)
Interest received	1,166	1,356
Net cash from operating activities	90,218	77,389
<b>Investing activities</b>		
Purchase of property, plant and equipment	(2,869)	(7,064)
Prepayment for build-operate-transfer ("BOT") projects	(1,742)	(11,422)
Acquisition of intangible assets	(21,081)	(18,480)
Net cash used in investing activities	(25,692)	(36,966)
<b>Financing activities</b>		
Proceeds from new borrowings	764,415	388,421
Repayment of borrowings	(672,230)	(380,863)
Pledged bank deposits	6,369	(1,955)
Payment of other financing activity expenses	(3,150)	-
Payment of convertible bonds	(592,585)	-
Interest paid	(13,033)	(26,743)
Net cash used in financing activities	(510,214)	(21,140)
Net (decrease)/increase in cash and cash equivalents	(445,688)	19,283
Cash and cash equivalents at beginning of period	1,193,847	663,090
<b>Cash and cash equivalents at end of period</b>	<b>748,159</b>	<b>682,373</b>

(RMB'000)	Actual (WITHOUT financial effects of Convertible Bonds)	
	First quarter ended	
	31 March 2025	31 March 2024
<b>Operating activities</b>		
Profit before income tax	137,027	148,353
Adjustments for:		
Depreciation of property, plant and equipment	11,123	12,834
Depreciation of right-of-use asset	1,762	1,738
Amortisation of intangible assets	52,905	52,633
Amortisation of contract cost	59	-
Interest expense	41,246	46,393
Exchange differences arising on foreign currency translation	(79)	(354)
Share of profit of associate	(1,649)	(1,922)
Impairment loss on pledged bank deposits	-	29
Net loss on disposal of property, plant and equipment	12	107
Interest income	(1,166)	(1,356)
Impairment loss/(Reversal of impairment loss) on trade and other receivables subject to ECL, net	11,198	(5,114)
Operating cash flows before movements in working capital	252,438	253,341
Trade receivables	(35,179)	(70,767)
Financial assets at fair value through other comprehensive income	(15,615)	(13,553)
Other receivables, deposits and prepayments	(37,345)	(8,772)
Inventories	64,486	77,238
Trade payables, other payables and contract liabilities	(66,057)	(95,971)
Cash generated from operations	162,728	141,516
Income tax paid	(32,229)	(27,836)
Interest paid	(41,447)	(37,647)
Interest received	1,166	1,356
Net cash from operating activities	90,218	77,389
<b>Investing activities</b>		
Purchase of property, plant and equipment	(2,869)	(7,064)
Prepayment for build-operate-transfer ("BOT") projects	(1,742)	(11,422)
Acquisition of intangible assets	(21,081)	(18,480)
Net cash used in investing activities	(25,692)	(36,966)
<b>Financing activities</b>		
Proceeds from new borrowings	764,415	388,421
Repayment of borrowings	(672,230)	(380,863)
Pledged bank deposits	6,369	(1,955)
Proceeds from exercise of share options	(3,150)	-
Payment of convertible bonds	(592,585)	-
Interest paid	(13,033)	(26,743)
Net cash used in financing activities	(510,214)	(21,140)
Net (decrease)/increase in cash and cash equivalents	(445,688)	19,283
Cash and cash equivalents at beginning of period	1,193,847	663,090
<b>Cash and cash equivalents at end of period</b>	<b>748,159</b>	<b>682,373</b>



1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2025**

Actual (WITH financial effects of Convertible Bonds)									
Group	Share capital	Share premium	General reserves	Share option reserve	Fair value reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance as at 1 January 2024</b>	<b>57,662</b>	<b>313,653</b>	<b>288,101</b>	<b>319</b>	<b>(1,834)</b>	<b>1,242,539</b>	<b>1,900,440</b>	<b>412,229</b>	<b>2,312,669</b>
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	119,437	119,437	124,975	244,412
Other comprehensive loss for the year	-	-	-	-	140	-	140	(17)	123
Total	-	-	-	-	140	119,437	119,577	124,958	244,535
Transactions with owners, recognised directly in equity									
Transfer to general reserves	-	-	83,673	-	-	(83,673)	-	-	-
Acquisition of non-controlling interests	-	-	(5,718)	-	-	-	(5,718)	(5,990)	(11,708)
Total	-	-	77,955	-	-	(83,673)	(5,718)	(5,990)	(11,708)
<b>Balance as at 31 December 2024</b>	<b>57,662</b>	<b>313,653</b>	<b>366,056</b>	<b>319</b>	<b>(1,694)</b>	<b>1,278,303</b>	<b>2,014,299</b>	<b>529,197</b>	<b>2,545,496</b>
Total comprehensive income for the period of January to March 2025									
Profit for January to March 2025	-	-	-	-	-	72,231	72,231	24,915	97,146
Total	-	-	-	-	-	72,231	72,231	24,915	97,146
Transactions with owners, recognised directly in equity									
Transfer to general reserves	-	-	10,475	-	-	(10,475)	-	-	-
Total	-	-	10,475	-	-	(10,475)	-	-	-
<b>Balance as at 31 March 2025</b>	<b>57,662</b>	<b>313,653</b>	<b>376,531</b>	<b>319</b>	<b>(1,694)</b>	<b>1,340,059</b>	<b>2,086,530</b>	<b>554,112</b>	<b>2,640,642</b>

**Actual (WITHOUT financial effects of Convertible Bonds)**

<u>Group</u>	Share capital	Share premium	General reserves	Share option reserve	Fair value reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance as at 1 January 2024</b>	<b>57,662</b>	<b>313,653</b>	<b>288,101</b>	<b>319</b>	<b>(1,834)</b>	<b>1,499,556</b>	<b>2,157,457</b>	<b>412,229</b>	<b>2,569,686</b>
<u>Total comprehensive income for the year</u>									
Profit for the year	-	-	-	-	-	248,992	248,992	124,975	373,967
Other comprehensive loss for the year	-	-	-	-	140	-	140	(17)	123
Total	-	-	-	-	140	248,992	249,132	124,958	374,090
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserves	-	-	83,673	-	-	(83,673)	-	-	-
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	(2,000)	(2,000)
Acquisition of non-controlling interests	-	-	(5,718)	-	-	-	(5,718)	(5,990)	(11,708)
Total	-	-	77,955	-	-	(83,673)	(5,718)	(7,990)	(13,708)
<b>Balance as at 31 December 2024</b>	<b>57,662</b>	<b>313,653</b>	<b>366,056</b>	<b>319</b>	<b>(1,694)</b>	<b>1,664,875</b>	<b>2,400,871</b>	<b>529,197</b>	<b>2,930,068</b>
<u>Total comprehensive income for the period of January to March 2025</u>									
Profit for January to March 2025	-	-	-	-	-	85,918	85,918	24,915	110,833
Total	-	-	-	-	-	85,918	85,918	24,915	110,833
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserves	-	-	10,475	-	-	(10,475)	-	-	-
Total	-	-	10,475	-	-	(10,475)	-	-	-
<b>Balance as at 31 March 2025</b>	<b>57,662</b>	<b>313,653</b>	<b>376,531</b>	<b>319</b>	<b>(1,694)</b>	<b>1,740,318</b>	<b>2,486,789</b>	<b>554,112</b>	<b>3,040,901</b>

Actual (WITH financial effects of Convertible Bonds)						
<u>Company</u>	Share capital	Share premium	Share option reserve	Retained earnings	Deficit attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2024	57,662	313,653	319	(491,912)	(120,278)	(120,278)
Loss for the year, representing total comprehensive loss for the year	-	-	-	(60,562)	(60,562)	(60,562)
Balance as at December 31, 2024	57,662	313,653	319	(552,474)	(180,840)	(180,840)
Loss for the year, representing total comprehensive loss for the year	-	-	-	(17,911)	(17,911)	(17,911)
Balance as at March 31, 2025	57,662	313,653	319	(570,385)	(198,751)	(198,751)

Actual (WITHOUT financial effects of Convertible Bonds)						
<u>Company</u>	Share capital	Share premium	Share option reserve	Retained earnings	Equity attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2024	57,662	313,653	319	(234,902)	136,732	136,732
Loss for the year, representing total comprehensive loss for the year	-	-	-	68,993	68,993	68,993
Balance as at December 31, 2024	57,662	313,653	319	(165,909)	205,725	205,725
Loss for the year, representing total comprehensive loss for the year	-	-	-	(4,224)	(4,224)	(4,224)
Balance as at March 31, 2025	57,662	313,653	319	(170,133)	201,501	201,501

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's share capital (795,686,142 shares) since the end of the previous period reported.

There were no outstanding treasury shares held as at 31 March 2025 and 31 December 2024.

**Total number of shares that may be issued on conversion of all the outstanding convertibles**

On 3 March 2017, the Company had completed the issuance of the first tranche convertible bonds of an aggregate principal amount of US\$ 110 million ("Tranche 1 Convertible Bonds" or "CB1s") which are convertible into fully paid ordinary shares in the capital of the Company (which will potentially represent approximately 28.2% to 51.4% of share capital on a diluted basis) to Glory Sky Vision Limited ("Glory Sky") (ultimately indirectly and beneficially owned by CDH Fund V, L. P. ("CDH")).

On 10 January 2018, Glory Sky transferred US\$ 60 million Convertible Bonds to DCP Capital Partners L.P. and DCP Group (together, "DCP"), as a result of which, DCP and CDH (each an "Investor" and collectively, the "Investors") now hold US\$ 60 million and US\$ 50 million Convertible Bonds of the Company, respectively.

On 6 September 2018, the Company obtained shareholders' approval for the issuance of a second tranche convertible bonds of an aggregate principal amount of US\$ 70 million ("Tranche 2 Convertible Bonds" or "CB2s") and warrants exercisable at an aggregate amount of US\$ 30 million (the "Warrants") to DCP and CDH to fund the Green Investments ("GI") related business of the Company.

The Company and the Investors have entered into an amendment agreement (the "Amendment Agreement") on 31 December 2020 to amend certain terms of the purchase agreements of the CB1s and CB2s. Accordingly, the maturity date of the CB1s and CB2s is extended by one (1) year and revised to 3 March 2023.

In accordance with the announcement released on 27 March 2023 (the "27 March Announcement"), the Company on 24 March 2023 entered into an amendment agreement (the "2023 Amendment Agreement") with Glory Sky, Alpha Keen Limited, Green Hawaii Air Limited and Blue Starry Energy Limited (together with Alpha Keen Limited and Green Hawaii Air Limited, "DCP" and together with Glory Sky, the "Bondholders").

Pursuant to the 2023 Amendment Agreement, the Company and the Bondholders have, inter alia, mutually agreed to extend the maturity date of the Convertible Bonds to the later of (i) 3 April 2025; or (ii) if so elected by the Bondholders, the date that is the 15th business day after the date on which the Company's audited financial statements for 2024 are issued (the "New Maturity Date"), as well as to make certain other amendments to the terms of the Convertible Bond Purchase Agreement and the CB Terms and Conditions (collectively, the "Proposed Amendments"). The Proposed Amendments had taken effect upon obtaining Shareholders' approval at the special general meeting that was convened on 28 July 2023.

On 2 January 2025, the Company effected payment for first tranche partial redemption principal amount, together with accrued and unpaid interest and premium for the outstanding bonds amounting to US\$54,000,000. Accordingly, the remaining outstanding principal was reduced to US\$83,581,930.

On 11 February 2025, the Company announced that it had effected the second partial payment for the outstanding convertible bonds, together with accrued and unpaid interest and premium for the outstanding bonds amounting to US\$13,750,000. As a result, the remaining outstanding principal amount of CB1s and CB2s was reduced to US\$71,882,273.

On 5 March 2025, the Company paid a total of US\$13,500,000 for the third tranche partial redemption principal amount, together with accrued and unpaid interest and premium for the outstanding bonds. Accordingly, the remaining outstanding principal was reduced to US\$60,464,118.

On 3 April 2025, the Company undertook a renounceable non-underwritten rights issues ("Right Issue") of S\$99,460,767 of 7.00% convertible bonds ("New CB") convertible into 398,438,568 new ordinary shares of the Company, and the new Shares to be issued upon conversion of the New CB in denomination of S\$1.00 each. The net proceeds from the New CB were utilised to fully redeem the outstanding CB1s and CB2s prior to the New Maturity Date, and on 7 April 2025, all of the CB1s and CB2s were cancelled in accordance with the terms and conditions. Accordingly, there are no outstanding CB1s and CB2s.

Assuming that all the outstanding CB1s and CB2s have been converted using the fixed conversion price of S\$ 0.50 and S\$ 0.60 respectively and that all the share options granted have been exercised as at 31 March 2025, the maximum number of shares that may be issued as at 31 March 2025 is 167,787,323 ordinary shares (31 December 2024: 359,379,000 ordinary shares). The fully diluted shares (including treasury shares) as at 31 March 2025 and 31 December 2024 were 963,473,465 and 1,155,065,142 ordinary shares respectively.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>As at 31 March 2025</b>	<b>As at 31 December 2024</b>
Total number of issued shares	795,686,142	795,686,142
Less: Total number of treasury shares	-	-
<b>Total number of issued shares excluding treasury shares</b>	<b>795,686,142</b>	<b>795,686,142</b>

**1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

These figures have neither been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has consistently applied the same accounting policies and methods of computation for the current reporting period compared with the audited financial statements for the year ended 31 December 2024.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

None.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

(a) Based on the weighted average number of ordinary shares on issue; and

	Actual (WITH financial effects of Convertible Bonds)		Actual (WITHOUT financial effects of Convertible Bonds)	
	First quarter ended 31 March 2025	31 March 2024	First quarter ended 31 March 2025	31 March 2024
Net profit attributable to equity holders of the Group (RMB'000)	72,231	55,996	85,918	81,016
Weighted average number of ordinary shares outstanding ('000)	795,686	795,686	795,686	795,686
Earnings per share - <b>basic</b> (RMB cent)	9.08	7.04	10.80	10.18

Basic earnings per share for the first quarter ended 31 March 2025 and 31 March 2024 have been calculated based on the weighted average number of ordinary issued share capital of 795,686,142 ordinary shares respectively.

**(b) On a fully diluted basis (detailing any adjustments made to the earnings)**

	Actual (WITH financial effects of Convertible Bonds)		Actual (WITHOUT financial effects of Convertible Bonds)	
	First quarter ended 31 March 2025	31 March 2024	First quarter ended 31 March 2025	31 March 2024
Net profit attributable to equity holders of the Group (RMB'000)	85,918	81,016	85,918	81,016
Weighted average number of ordinary shares outstanding ('000)	962,386	1,153,984	795,790	795,799
Earnings per share - <i>diluted</i> (RMB cent)	8.93	7.02	10.80	10.18

Diluted earnings per share for the above periods have been calculated by excluding treasury shares and assuming the outstanding convertibles have been converted at S\$ 0.50 and S\$ 0.60 based on exercise prices of convertible bonds issued on 3 March 2017 and 15 October 2018 respectively, and that the share options granted have been exercised as at 31 March 2025. The warrants issued along with the CB2s have expired on 31 December 2020.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group			
	31 March 2025	31 December 2024	31 March 2025	31 December 2024
	(WITH financial effects of Convertible Bonds)		(WITHOUT financial effects of Convertible Bonds)	
Net asset value per share (RMB cents)	331.87	319.66	382.17	368.24

  

	Company			
	31 March 2025	31 December 2024	31 March 2025	31 December 2024
	(WITH financial effects of Convertible Bonds)		(WITHOUT financial effects of Convertible Bonds)	
Net asset / (liability) value per share (RMB cents)	(24.98)	(22.73)	25.32	25.86

The net asset / (liability) value per share for 31 March 2025 and 31 December 2024 have been computed based on shareholders' equity as at these dates and the existing share capital of 795,686,142 ordinary shares as at 31 March 2025 and 31 December 2024 respectively.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) **Any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**Review of the Group's performance for the first quarter ended 31 March 2025 ("1Q2025") as compared with that of the first quarter ended 31 March 2024 ("1Q2024")**

*\*Based on actual financial performance WITH financial effects of Convertible Bonds\**

Revenue

The Group's revenue is derived mainly from provision of utilities. The revenue has decreased by approximately RMB 32.7 million or 4.0% from RMB 825.8 million in 1Q2024 to RMB 793.1 million in 1Q2025. The decrease in revenue was caused mainly by the implementation of price adjustment mechanism as fuel costs decreased at the start of 2025. Meanwhile, part of the decrease was offset by the sales volume of steam having stably increased in this period compared with 1Q2024.

Gross Profit

Gross profit increased by approximately RMB 18.3 million or 8.8% from RMB 209.0 million in 1Q2024 to RMB 227.3 million in 1Q2025 due mainly to the execution of the price adjustment mechanism, which stabilized the gross profit of steam sales. Additionally, coal blending, continuous optimisation of feedstock procurement strategy reduced fuel costs, improved heating efficiency from benefits generated by waste heat recovery, technological upgrades of equipment, and refined management of the GI projects resulted in improved production efficiency. Furthermore, the ramp-up of the Xinjiang project also contributed to the increased gross profit in this period.

Profit before Income Tax

There is no significant changes in profit before tax for 1Q2024 and 1Q2025, remaining at RMB 123.3 million. The following factors are the key movements in profit before tax:

- (a) Increase in gross profit of RMB 18.3 million as explained above;
- (b) Drop in other operating income of RMB 19.5 million or 88.5% from RMB 22.0 million in 1Q2024 to RMB 2.5 million in 1Q2025 due mainly to 1Q2024 having a gain on carbon emission quota and a reversal of impairment loss for trade receivable due to the collection of trade receivables; and
- (c) Increase in other operating expenses of RMB 10.4 million or 1,110.9% from RMB 0.9 million in 1Q2024 to RMB 11.3 million in 1Q2025 due to the net impairment loss on trade receivables and other receivables subject to ECL;
- (d) Decrease in financial costs of RMB 12.9 million or 18.4% from RMB 70.2 million in 1Q2024 to RMB 57.3 million in 1Q2025, due mainly to the effective implementation of reduction of financing costs, including obtaining lower interest rate loans through structural adjustments and negotiating interest rate cuts with banks.

Income Tax Expense

The income tax expense decreased by RMB 2.0 million or 7.0% from RMB 28.2 million in 1Q2024 to RMB 26.2 million in 1Q2025.



## Profit for the Financial Period

As a result of the above, the Group's net profit attributable to the equity holders increased by RMB 16.2 million or 29.0% from RMB 56.0 million in 1Q2024 to RMB 72.2 million in 1Q2025.

- (b) **Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

## Review of the Group's Financial Position

*\*Based on the statement of financial position WITH financial effects of Convertible Bonds\**

The Group's total current assets decreased by approximately RMB 438.0 million or 16.1% from RMB 2,713.8 million as at 31 December 2024 to RMB 2,275.8 million as at 31 March 2025. The decrease was due mainly to:

- (a) Decrease in cash and cash equivalents of RMB 445.7 million, due mainly to partial repayment of convertible bonds of RMB 592.6 million and acquisition of property, plant and equipment and intangible assets of RMB 25.7 million, which is offset by net proceeds from operating activities of RMB 90.2 million and borrowings of RMB 92.2 million;
- (b) Increase in trade receivables of RMB 34.2 million due mainly to the increase in receivables of biomass power subsidies in respect of the Group's biomass GI projects.

The settlement of the biomass power subsidies is based mainly on the prevailing national policies set by the Ministry of Finance of the PRC and without a contractual payment plan. The Ministry of Finance of the PRC disburses the subsidies to the local State Grid and other competent authorities after the approval and then the local State Grid pays the subsidies to the biomass plants based on the volume of electricity sold to the State Grid after their inclusion into the subsidy catalogue. Delays in the payments of biomass subsidies occurred, therefore trade receivables continued to increase. As a result, almost all trade receivables aged over six months are comprised of such biomass power subsidies. By the end of this financial period, the outstanding balance of biomass subsidies (net of loss allowance) is RMB 288.0 million.

The new plant of Xintai Zhengda Project has been included in the Renewable Energy Power Generation Subsidy List and will receive feed-in tariff subsidies for the electricity generated by its biomass boiler in due course. As disclosed in "Supplementary Notice on Relevant Matters of Several Opinions on Promoting the Healthy Development of Non-hydro Renewable Energy Generation" dated September 2020: Biomass power generation projects will no longer enjoy central financial subsidy funds after 15 years from the date of grid connection or after 82,500 hours of reasonable utilisation throughout its lifecycle.

Tongshan Project's biomass power generation business obtained its grid connection permit in 2021 and has passed the confirmation of the provincial-level competent authorities. The project has passed the review and acceptance of the National Energy Administration (Jiangsu Supervision Office) and the Jiangsu Development & Reform Commission. It is now being reviewed by the National Renewable Energy Information Management Center.

As for Shantou Project, which is 51%-owned by the Group, according to the concession agreement signed between the Shantou Chaonan Local Government and CES (a state-owned enterprise), CES is an authorised concessionaire. Shantou Project had previously signed a steam supply agreement with CES to undertake the supply of steam to over 100 downstream steam users in the Shantou Textile Circular Economy Industrial Park (the "Park").

As previously disclosed, all of the downstream steam users in the Park were relocated into the newly-built Park, with the majority investing in new factories in the Park in 2019, after their previous operations along the Lianjiang River were mandatorily shut down. To achieve a win-win situation with the users, the Group had offered them a payment grace period when they began operations in the Park in order to help them stabilise and grow their business, given the high initial investments and capital expenditures involved in relocating their plants into the Park and the abnormal operations they had to endure during the construction period of the Park. This strategy worked, proven by the rapid ramp-up of Shantou Project which was due to the quick recovery of the downstream users that contributed stronger-than-expected steam demand to Shantou Project.

While the Group managed to negotiate with the downstream users to shorten the payment cycle since last year following the normalisation of their operations, CES however recently adjusted its approval cycle for releasing payments from these downstream users to the Group, on account of managerial reasons. The management is aware of this and continues to diligently monitor the receivable turnover days. Besides, the stronger-than-expected demand for steam by the downstream users was also the primary reason for the increased trade receivables of Shantou Project.

Approximately 54.0% and 25.6% of the trade receivables at 31 December 2024 and 31 March 2025 respectively were collected as at 30 April 2025, which were calculated based on the gross carrying amount of trade receivables. Loss allowances for trade receivables and contract assets are based on the expected credit loss model estimated by reference to past default experience of debtors, including historical and forward-looking information.

Collection efforts have been consistently maintained by the management through constant reminder to customers on their obligation including seeking legal action if necessary;

- (c) Increase in other receivables, deposits and prepayments of RMB 28.8 million due mainly to increase in prepayment for inventories; and
- (d) Increase in financial assets at fair value through other comprehensive income of RMB 15.5 million resulting mainly from addition in notes receivables held by the GI business.

The above increase was outweighed by the decrease in inventories of RMB 64.5 million due primarily to consumption of raw materials.

The Group's total non-current assets decreased by RMB 52.1 million or 0.9% from RMB 5,593.5 million as at 31 December 2024 to RMB 5,541.4 million as at 31 March 2025. The decrease was due mainly to:

- (a) Decrease in property, plant and equipment of RMB 9.2 million due mainly to the depreciation expenses incurred; and
- (b) Decrease in intangible assets of RMB 48.6 million due mainly to the amortisation expenses incurred.

The above was offset by an increase in other receivables, deposits and prepayments of RMB 4.2 million due primarily to the increase in prepayments for BOT projects.

The Group's total current liabilities decreased by RMB 689.2 million or 19.5% from RMB 3,537.4 million as at 31 December 2024 to RMB 2,848.2 million as at 31 March 2025, due mainly to the following:

- (a) Decrease in convertible bonds of RMB 567.6 million due to partial repayment of the convertible bonds;

- (b) Decrease in trade payables, other payables and contract liabilities of RMB 108.1 million primarily as a result of payment of outstanding raw materials purchase and payment of construction payables for BOT projects as well as the payment of accrued coupon for CB within one year;
- (c) Decrease in short-term loans due to repayment of outstanding loans; and
- (d) Decrease in income tax payable of RMB 3.0 million.

The Group's current liabilities exceeded its current assets by RMB 572.4 million due to the maturity of convertible bonds ("CBs") in April 2025. Subsequently, the Group has raised funds via the Right Issues of Convertible Bonds for repayment of the CBs, which will reduce the net current liability position of the Group by RMB 512.7 million. Furthermore, by adjusting its long-term and short-term loan structure, it will further strengthen the Group's net current asset position.

The Group's total non-current liabilities increased by approximately RMB 102.0 million or 4.6% from RMB 2,226.4 million as at 31 December 2024 to RMB 2,328.4 million as at 31 March 2025. The increase was due mainly to increase in long-term borrowings of RMB 102.6 million due primarily to the continuous optimization of debt structure in order to reduce short-term debt pressure.

### **Review of the Group's cash flow statement**

*\*Based on the cash flow statement WITH financial effects of Convertible Bonds\**

Net cash generated from operating activities amounted to approximately RMB 90.2 million in 1Q2025, due primarily to the following factors:

- (a) Increased working capital requirements due to the increase in trade receivables of RMB 35.2 million, increase in financial assets at fair value through other comprehensive income of RMB 15.6 million, increase in other receivables and prepayments of RMB 37.3 million, decrease in inventories of RMB 64.5 million, and decrease in trade payables, other payables and contract liabilities of RMB 66.1 million; and
- (b) Interest and tax paid of RMB 73.7 million in aggregate.

Net cash used in investing activities amounted to RMB 25.7 million due mainly to the acquisition of intangible assets of RMB 21.1 million, purchase of property, plant and equipment of RMB 2.9 million, and prepayment for Xinyuan projects of RMB 1.7 million.

Net cash used in financing activities amounted to RMB 510.2 million due to repayment of convertible bonds of RMB 592.6 million, bank loans of RMB 672.2 million, and interest paid of RMB 13.0 million, offset by proceeds from bank loans of RMB 764.4 million and decrease in pledged deposit of RMB 6.4 million.

### **Use of Proceeds from Convertible Bonds**

On 3 March 2017, the Company completed the issuance of first tranche convertible bonds with an aggregate principal amount of US\$ 110 million ("Tranche 1 Convertible Bonds" or "CB1s"), which are convertible into fully paid ordinary shares in the capital of the Company to Glory Sky Vision Limited ("Glory Sky", ultimately indirectly and beneficially owned by CDH Fund V, L.P.).

On 10 January 2018, Glory Sky transferred US\$ 60 million in principal amount of CB1s to DCP as a result of which, DCP and CDH (each an "Investor" and collectively, the "Investors") holds US\$ 60 million and US\$ 50 million of CB1s of the Company, respectively.

On 6 September 2018, the Company obtained shareholders' approval for the issuance of a second tranche of convertible bonds with an aggregate principal amount of US\$ 70 million ("Tranche 2 Convertible Bonds" or "CB2s") and warrants with an aggregate exercisable amount of US\$ 30 million (the "Warrants") to DCP and CDH to fund the GI related business of the Company. The net proceeds raised from the issuance of CB1s is approximately US\$ 106.2 million after deducting transaction expenses of US\$ 3.8 million, while net proceeds from the issuance of CB2s is expected to be approximately US\$ 67.6 million after the CB2s are fully issued to the Investors, after deducting transaction expenses of approximately US\$ 2.4 million.

Subsequently, the Company completed the issuance of CB2s with an aggregate principal amount of US\$ 20 million on 15 October 2018 and completed the issuance of 57,625,714 Warrants on 21 December 2018. As at 31 December 2020, all 57,625,714 Warrants expired unexercised and ceased to be valid for any purpose. To-date, the Company's completed issuance of Convertible Bonds (both Tranche 1 and Tranche 2) is an aggregate principal amount of US\$ 130 million, and the net proceeds raised from the issuance of Convertible Bonds is US\$123.8 million.

On 31 December 2020, the Company and the Investors entered into an amendment agreement (the "Amendment Agreement") to amend certain terms of the purchase agreements of the CBs. The Amendment Agreement confirms that the aggregate principal amount of the Tranche 1 Convertible Bonds and Tranche 2 Convertible Bonds (collectively, the "Convertible Bonds" or "CBs") issued as at the date of the Amendment Agreement is US\$130 million, and proposes to extend the maturity date of the CBs by one (1) year to 3 March 2023<sup>2</sup>.

On 24 March 2023, the Company and the Investors entered into an amendment agreement (the "2023 Amendment Agreement") to amend the relevant terms of the purchase agreements of the CB1s and CB2s, and the terms and conditions of the Convertible Bonds. The 2023 Amendment Agreement confirms that the conversion price will remain at S\$ 0.50 for CB1 and S\$ 0.60 for CB2, and extend the maturity date of the CBs by two (2) years to 3 April 2025<sup>3</sup>.

The net proceeds have been and will be utilised for the expansion and further investment into Green Investments business, including by way of BOT/BOO/TOT models of centralised steam and electricity projects and other environmental protection related projects. As at 30 April 2025, the Company has utilised an aggregate of US\$ 123.8 million of the net proceeds from Convertible Bonds as per the schedule below.

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<sup>2</sup> For the full details, please refer to the circular to shareholders that was released on 31 March 2021.

<sup>3</sup> For the full details, please refer to the general announcement to shareholders that was released on 27 March 2023.

<b>Project</b>	<b>Use of Convertible Bonds Proceeds</b>	<b>Amount</b>
Shantou	Project construction and equipment procurement	US\$ 20.4 million (approximately RMB 132.6 million)
Liutuan	Registered capital	US\$ 0.8 million (approximately RMB 5.2 million)
Jining JVC	Installation of steam distribution pipeline	US\$ 1.6 million (approximately RMB 10.3 million)
Xinjiang	Registered capital	US\$ 1.4 million (approximately RMB 9.0 million)
Yingtian <sup>(1)</sup>	Registered capital	US\$ 0.1 million (approximately RMB 0.5 million)
Shandong Yangguang Institute	Purchase consideration of the acquisition	US\$ 4.3 million (approximately RMB 28.0 million)
Xinyuan Thermal Power	Purchase consideration of the acquisition	US\$ 13.1 million (approximately RMB 85.0 million)
Xintai Zhengda Thermoelectric	Purchase consideration of the acquisition and construction of new facilities	US\$ 22.0 million (approximately RMB 145.0 million)
Yongxing Thermal Power	Purchase consideration of the acquisition	US\$ 50.2 million (approximately RMB 325.5 million)
General	Administrative and general expenses for business expansion of Green Investment related business	US\$ 9.9 million (approximately RMB 64.6 million) <sup>(2)</sup>
<b>Total Convertible Bonds Proceeds utilised</b>		<b>US\$ 123.8 million (approximately RMB 805.7 million)</b>

\*Note:

(1) Yingtian Sunpower Clean Energy Co., Ltd. was cancelled after the comprehensive evaluation of the Company.

(2) It consists of (a) RMB42.7 million of remuneration for the development and management teams of GI; (b) RMB20.3 million of pre-development expenses of GI projects, such as costs expended for pre-investment due diligence activities, including project inspection, valuation and audit fees, communication costs and travel expenses etc; (c) RMB1.5 million of purchase of fixed assets for development teams of GI business; (d) RMB0.1 million of stamp duties for applicable GI transactions.

(3) The exchange rate is based on the actual settlement conditions.

Each of the above utilisation of the proceeds from the Convertible Bonds is consistent with the intended use as disclosed in the Company's circular to shareholders.

### **Use of Proceeds from Rights Issue of Convertible Bonds**

On 3 April 2025, the Company received S\$99.46 million in gross proceeds from the Right Issue of Convertible Bonds (the “**Rights Issue**”). After deducting expenses of S\$1.06 million, the Company raised net proceeds of approximately S\$98.40 million from the Rights Issue (“**Net Proceeds**”).<sup>4</sup>

As disclosed in the “Use of Proceeds” section in the Offer Information Statement (“OIS”) of the Right Issue dated 10 March 2025, the Company intends to use the Net Proceeds for the repayment of the Existing Bonds issued by the Company to the Existing Bondholders before the maturity date of the Existing Bonds.

In addition, as disclosed in the “Use of Proceeds” section of the OIS, in the event if there is excess Net Proceeds after the redemption of the Existing Bonds, the remaining amount of the Net Proceeds shall be retained by the Company for working capital purposes.

As at 30 April 2025, the Company has utilised an aggregate of S\$97.19 million of the net proceeds from Rights Issue as per the schedule below.

<b>As of 30 April 2025</b>	<b>Use of Proceeds</b>
Repayment of Existing Bonds	S\$94.83 million (approximately RMB 515.88 million)
Payment for salaries and wages	S\$2.30 million (approximately RMB 12.82 million)
Payment for intermediary service fees and office expenses	S\$0.06 million (approximately RMB 0.30 million)
<b>Subtotal of Net Proceeds used</b>	<b>S\$97.19 million</b> (approximately RMB 529.00 million)
<b>Use of Proceeds balance</b>	<b>S\$1.21 million</b> (approximately RMB 6.76 million)

Each of the above utilisation of the proceeds from the Rights Issue is consistent with the intended use as disclosed in the Company’s circular to shareholders.

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

Convertible Bonds were issued on 3 March 2017 and 15 October 2018 with the carrying amount of the Convertible Bonds currently stated at fair value as at 31 March 2017 and 15 October 2018 respectively. In accordance with SFRS(I), the financial effects on profit or loss associated with the issuance of compound financial instruments are as follow: (i) fair value change arising from the conversion option and (ii) amortised interest charge relating to the amortised cost liability component of the Convertible Bonds. The fair value change is an accounting treatment arising from the compliance with the accounting standards and has no cash flow effect and no financial impact on the performance targets in relation to the Convertible Bonds as stipulated in the Convertible Bonds Agreement stated in the circular dated 13 February 2017 and 21 August 2018 respectively. On 24 March 2023, the Group and the Investors entered into an amendment agreement (the “2023 Amendment Agreement”) which extended the maturity date of the CBs by two years to 3 April 2025. The conversion price of convertible bonds remained at S\$0.50 for CB1 and S\$0.60 for CB2 and was no longer be subject to the Group’s performance target on adjusted profit after taxation and minority interests. Additionally, bondholders were entitled to a higher Total Internal Rate of Return at 10%.

Due to the 2023 Amendment Agreement, the bond had been assessed to be substantially modified and hence, it was accounted for as an extinguishment of the original liability. Recognition of the new liability and the convertible feature were classified as equity.

<sup>4</sup> Note: Capitalised terms used herein which are not otherwise defined shall have the same meanings as ascribed to them under the section entitled “Definitions” of the Offer Information Statement dated 10 March 2025.

The above mentioned related financial effects to the statement of profit or loss and other statements have no operational effect to the financial performance of the Group. Financial effects of Convertible Bonds consist of unrealised foreign exchange translation, amortised interest expense (inclusive of interest charges) and cumulative fair value gain/(loss) of Convertible Bonds. Excluding the financial effects of the Convertible Bonds, total net profit attributable to equity holders of the Company increased by RMB 4.9 million or 6.1% from net profit of RMB 81.0 million in 1Q2024 to net profit of RMB 85.9 million in 1Q2025.

The above bonds had subsequently been fully repaid as at 7 April 2025.

In addition, the Rights Issue was completed on 3 April 2025, which was subsequent to the end of the first quarter ended 31 March 2025. As such, its financial effects were not reflected in the statement of profit or loss and other statements in the first quarter ended 31 March 2025.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

There is no variance between the actual results and the forecast, or prospect statement previously disclosed to shareholders.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

China's economy continued to exhibit encouraging momentum and high-quality development, highlighting its resilience and long-term potential. Domestic demand for consumer goods played a significant role, reflecting the continued strength of domestic consumption.<sup>1</sup>

However, the external environment has become increasingly complex and challenging, amid rising global trade protectionism and growing disruptions to the world economic order. Domestically, structural transformation remains a pressing task. Against this backdrop, sustaining the current recovery and growth trajectory will require continued and concerted effort.<sup>2</sup>

In the light of these dynamics, the Group continues to focus on strengthening the profitability of its GI business and improving cash generation from its GI projects through steady ramp-up and ongoing refinement in management and operations. The Group has adopted major internal initiatives to further reduce cost by enhancing the efficiency and profitability of its GI projects, including leveraging Artificial Intelligence (AI) and the comprehensive utilisation of water and feedstock resources to optimise overall raw material costs, as well as capitalise on its existing sludge recycling business to increase treatment income from sludge treatment and disposal. At the same time, the Group intends to remain agile and responsive, adapting its strategies to the changing macroeconomic landscape with resilience and discipline.

These efforts are underpinned by the proven business model of the GI projects, which have consistently delivered long-term, high-quality recurring income. This is supported by their exclusive concession rights of approximately 30 years (with first right of renewal), and/or their extensive pipeline networks that enhance de facto exclusivity within their coverage areas. The projects also serve quality industrial parks with resilient demand, as they are strategically located in industrial parks within economically developed areas or key industry clusters of excellence across China. Importantly, they primarily cater to the domestic market and play a vital role in supporting the local economic development.

With the full redemption of its previous outstanding convertible bonds (CBs) with aggregate principal amount of approximately US\$130 million 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. For the full details, please refer to the Company's announcements issued between 9 December 2024 and 7 April 2025.

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<sup>1</sup> [http://www.stats.gov.cn/english/PressRelease/202504/t20250416\\_1959313.html](http://www.stats.gov.cn/english/PressRelease/202504/t20250416_1959313.html)

<sup>2</sup> <https://www.chinanews.com.cn/cj/2025/04-16/10400321.shtml>



**11. If a decision regarding dividend has been made:**

**(a) *Whether an interim (final) ordinary dividend has been declared (recommended)***

None.

**(b) *(i) Amount per share in cents  
(ii) Previous corresponding period in cents***

None.

**(c) *Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).***

Not applicable.

**(d) *The date the dividend is payable.***

Not applicable.

**(e) *The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.***

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended by the Board of Directors of the Company for the quarter ended 31 March 2025. It is not the Company's practice to declare dividends during the first quarter of the financial year.

- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company's IPT general mandate expired on 28 April 2023. After carefully considering all the relevant factors, the Company did not renew the general mandate from shareholders for IPTs after 28 April 2023.

However, there are transactions performed under agreements that were entered into during the period in which the Company's IPT general mandate was in force, which was first adopted on 16 April 2021 and renewed on 27 May 2022 before it expired on 28 April 2023. By the nature of certain of such contracts, these transactions may only accrue upon the satisfaction of certain milestones. Accordingly, such IPTs as approved under the prior IPT general mandate are presented as and when they are accrued.

There are no interested person transactions conducted that are more than S\$100,000 during the first quarter ended 31 March 2025

- 14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)**

We do hereby confirm on behalf of the Board of Directors of the Company ("the Board") that, to the best of our knowledge nothing has come to the attention of the Board which may render the unaudited financial statements for the first quarter ended 31 March 2025 to be false or misleading in any material aspect.

- 15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The company has obtained undertakings from all directors and executive officers.

For and on behalf of the  
Board of Directors of  
**SUNPOWER GROUP LTD.**

Guo Hong Xin  
Non-Executive Chairman

Yang Zheng  
Lead Independent Director

**BY ORDER OF THE BOARD**

Guo Hong Xin  
Non-Executive Chairman

15 May 2025