

Sunpower's GI recurring PATMI rises 9.3% to record RMB97.1 million, and GI recurring operating cashflow rises 27.8% YoY to RMB106.7 million in 1Q 2025

Key Highlights

- Fully redeemed Convertible Bonds (“CBs”) with aggregate principal amount of approximately US\$130 million upon maturity, and is in a better position to focus on its corporate growth strategy.
- Robust performance in 1Q2025 continued to underscore resilience of GI business, bolstered by its superior business model
 - GI recurring gross profit was RMB227.3 million (+8.8% YoY).
 - GI recurring PATMI was RMB97.1 million (+9.3% YoY).
 - GI recurring operating cashflow was RMB106.7 million (+27.8% YoY).
- Total steam sales volume rose 4.6% YoY to 2.99 million tons, driven by continuing ramp-up of existing GI projects.

Singapore, 15 May 2025 – Mainboard-listed Sunpower Group Ltd. (“中聖集團”, “Sunpower” or the “Group”), a leading provider of clean steam and industrial services through a sizeable portfolio of centralised Green Investments (“GI”) projects that generate long-term, recurring income, announced its results for the three months ended 31 March 2025 (“1Q 2025”).

GI Financial Highlights (Without Financial Effects of Convertible Bonds)

RMB million	1Q 2024	1Q 2025	YoY Chg
Total steam sales volume (mil tons)	2.86	2.99	4.6%
GI recurring revenue ¹	825.8	793.1	-4.0%
GI recurring gross profit ²	209.0	227.3	8.8%
GI recurring EBITDA ³	270.5	255.0	-5.7%
GI recurring PATMI ⁴	88.9	97.1	9.3%
GI recurring operating cashflow ⁵	83.4	106.7	27.8%

The Company uses the terms “GI recurring revenue”, “GI recurring EBITDA”, “GI recurring PATMI”, and “GI operating cashflow” to reflect the operating results of the GI business. This document should be read in conjunction with the Announcement of Unaudited Interim Financial Statements for the First Quarter ended 31 March 2025 released at the same time.

¹ 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).

² GI recurring gross profit refers to the revenue of the GI Business less the cost of goods sold (COGS) directly attributable to the operation of GI projects. It includes income from the sale of steam, electricity, and other recurring operating revenues of the GI Business and excludes the construction service revenue from service concession arrangements of BOT projects in accordance with IFRIC 12 Service Concession Arrangements. The COGS includes direct production costs such as raw materials, utilities, direct labour, and depreciation and amortisation expenses associated with the operation of GI facilities, and excludes indirect corporate costs, interest, income taxes, and any group-level or listing-related expenses.

³ 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.

⁴ 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.

⁵ GI recurring operating cashflow refers to cashflow generated by operating activities of the GI Business.

Investment Highlights

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

- Sunpower is a leading player in the centralised steam industry with a sizeable portfolio of 11 GI projects
- The Group's long-term development strategy facilitates China's Carbon Peak and Carbon Neutrality goals, aligning with national energy and environment policies.
- The Group enables energy conservation and emissions reduction through application of the circular economy model and development of efficient centralised steam generation facilities.
- "Multiple" pollution sources can be eliminated with a single centralised GI plant that helps industrial parks and their enterprises to comply with emissions standards and attract new investments - further boosting steam demand.

➤ **Proven GI Business Model Generating Long-Term, High-Quality, Recurring Income**

- GI projects typically benefit from ~30 years exclusive concession rights (with first right to renew) and/or extensive pipeline networks that enhance *de facto* exclusivity in coverage areas.
- Utilises a typically B2B model with a contractual price adjustment mechanism that links feedstock costs to industrial steam prices.
- GI projects are strategically located in industrial parks within economically developed areas or key industry clusters of excellence, serving resilient and diversified domestic industries.
- Industrial steam is a non-discretionary input for the Group's downstream manufacturing customers, which play an integral role in supporting local economic development.
- The Group's applications of technologies and unique know-how also create strong barriers to entry.

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

- Despite macroeconomic headwinds from major events in 2020-2022, including the pandemic, the Group still achieved strong growth: total steam sales volume grew at a CAGR of 20.5%, GI recurring revenue at 35.6%, and GI recurring EBITDA at 11.4% from FY2019 to FY2022.
- From FY2018 to FY2024, total steam sales volume rose at a CAGR of 21.7%, GI recurring revenue at 28.5%, and GI recurring EBITDA at 25.2%.

➤ **Well Positioned to Capture Long-Term Growth Potential**

- Key structural growth drivers include organic customer expansion, relocation of new enterprises into industrial parks, and/or the long-term development of economically viable industrial parks or industry clusters of excellence.
- The Group operates in a large addressable market in China, supported by a robust project pipeline.

➤ **Practises ESG and Sustainability Values**

- Sunpower integrates ESG principles across its operations to drive sustainable business practices.
- As a pioneer in circular economy development, the Group promotes efficient resource utilisation, conservation, and recycling, supporting the development of circular economy industrial parks promoted by the "14th Five-Year Plan for Circular Economy Development" of the National Development and Reform Commission (NDRC).

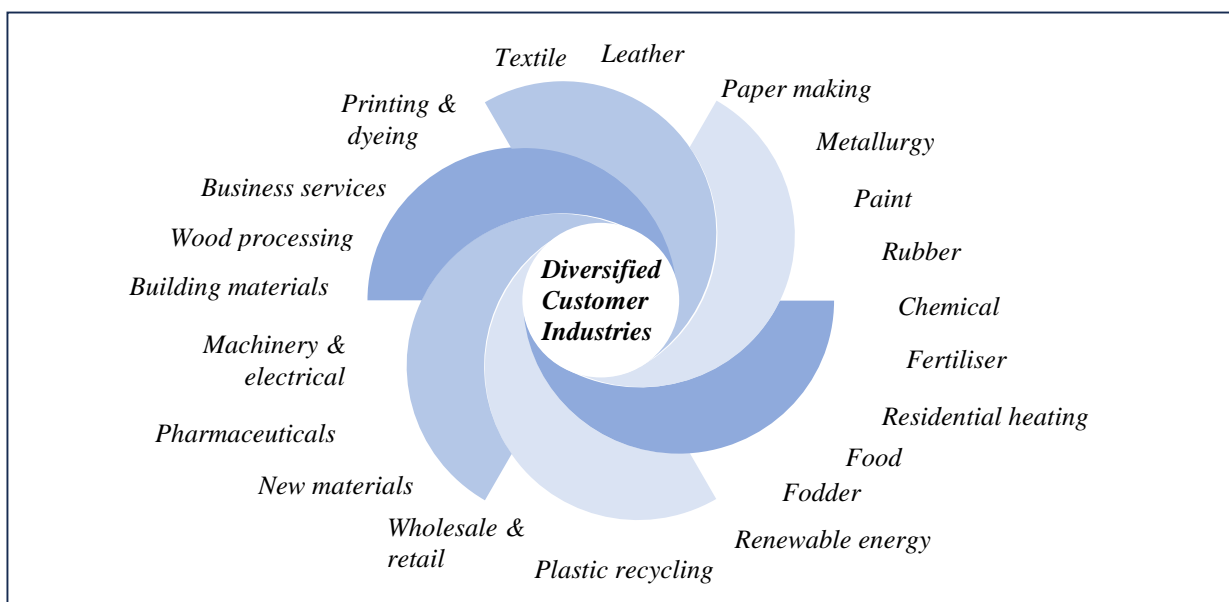
➤ **Professional & Disciplined Management with Strong Execution and Entrepreneurship**

- Key management are professional and disciplined executives with extensive experience, strong execution capabilities, entrepreneurship as well as a refined management approach.
- Centralised management model integrates resources for better technological innovation, transformation and refined management, as well as good control of procurement cost and oversight of a sizeable project portfolio across China.

11 GI Projects in Commercial Operation



Serving Diversified Industries that Primarily Cater to Domestic Demand



Sizeable Portfolio of GI Projects, Located in Either Economically Developed Industrial Parks or Key Industry Clusters of Excellence



- **Sizeable GI portfolio:**
 - 11 projects in commercial operation
 - Robust pipeline of projects
- **Exclusive concessions: Typically ~30 years with right of first renewal**
- **Total length of GI pipelines of ~450 km enhances *de facto* project exclusivity in coverage areas**
- **Number of GI customer industries: >20**

Financials

In 1Q 2025, total steam sales volume increased 4.6% YoY to 2.99 million tons, supported by the continued ramp-up of GI projects. The GI project portfolio, anchored by a robust and proven business model and catering primarily to the domestic market, continued to enhance its profitability.

GI recurring revenue declined 4.0% YoY to RMB793.1 million, mainly due to lower feedstock prices being passed through to industrial customers via the steam price adjustment mechanism. This was partly offset by the increase in steam sales volume.

Despite the revenue decline, the GI business maintained strong profitability. GI recurring gross profit rose 8.8% YoY to RMB227.3 million, while GI recurring PATMI increased 9.3% YoY to RMB97.1 million.

Overall profitability was underpinned by a comprehensive set of factors, such as economies of scale from higher steam sales volumes; the price adjustment mechanism; optimised feedstock procurement strategies; technological upgrades that enhanced production capability and efficiency; refined existing plant management practices; etc.

Recurring operating cash flow of GI projects rose 27.8% YoY to RMB106.7 million in 1Q 2025, reflecting the cash-generative nature of the GI business.

The 1Q 2025 performance underscored the Group's ability to deliver resilient results with growth, despite the mixed macroeconomic environment.

Outlook

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.⁶

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.⁷

In the light of these dynamics, the Group continues to focus on strengthening the profitability of its GI business which caters primarily to the domestic market of China, 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

⁶ http://www.stats.gov.cn/english/PressRelease/202504/t20250416_1959313.html

⁷ <https://www.chinanews.com.cn/cj/2025/04-16/10400321.shtml>

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.

Barring unforeseen circumstances, the Group expects the following business trends for its business in FY2025:

Continued ramp-up of the existing GI plants, namely:

- For the existing 11 GI projects in commercial operation, mainly driven by the closure of smaller boilers, the ramp-up or expansion of the existing customers, continuous relocation of new factories into industrial parks, and long-term structural development of industrial parks.
- For Changrun Project, 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.
- Strong steam demand expected for Shantou Project.
- 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.
- Jining and Shanxi Xinjiang projects are adding more connections to customers.

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.

Continued execution of holistic strategy to solidify the profitability of the GI business, namely:

- To leverage AI to enhance efficiency and reduce operational costs.
- Sustain execution of price adjustment mechanism.
- Reduction of financing cost through optimisation of bank loans and lowering of interest rates.
- Continuous refined management of each projects to reduce manufacturing cost, such as reducing feedstock costs through optimisation of procurement strategies and adjustment of feedstock mix, etc
- Implement technological transformation to enhance operating efficiency.
- Tap into beneficial economies of scale in the GI business.
- Explore new business opportunities in medium to long term.

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.

Mr. Ma Ming, CEO and Executive Director of Sunpower, commented:

“In 1Q 2025, the GI business continued to demonstrate resilience, with YoY growth in steam demand and the steady profit of the GI projects, reflecting the strength of our underlying business model despite a challenging internal and external macroeconomic environment. This resilience is underpinned by our diversified customer base that primarily serves stable domestic demand. As we move forward, our focus remains on ramping up the GI projects and implementing targeted operational enhancement to drive greater efficiency and profitability.

We continue to monitor and manage potential risks, including geopolitical tensions and macroeconomic headwinds such as the resurgence in trade protectionism. Backed by our robust business model and deep industry experience, we trust in our ability to navigate these challenges with discipline and agility.

With the full redemption of our outstanding CBs in April 2025, the Company has resolved a long-standing capital structure overhang. This achievement allows the Company to fully concentrate on executing its strategic priorities. The Company is now well-positioned to enhance the efficiency and profitability of our GI projects, drive long-term growth, and deliver greater value to our shareholders.”

-END-

Forward-looking Statement

This press release includes forward-looking statements and financial information provided with respect to the anticipated future performance and involves assumptions and uncertainties based on the Group’s view of future events. Among other things, the quotations from management in this press release and the Company’s operations and business outlook, contain forward-looking statements. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar statements. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions; interest rate trends; continued availability of working capital financing in the amounts and terms necessary to support future business; capital availability and cost of capital for existing debt refinancing needs; competition from other companies and venues for the sales/distribution of similar services; seasonal and structural shifts in customer demand; changes in operating expenses, including raw material costs; and changes in governmental policies and planning that may affect the profitability of the GI business. Accordingly, there can be no assurance that such projections and forward-looking statements can be realised. No representations or warranties are made as to the accuracy or reasonableness of such assumptions of the forward-looking statements and financial information based thereon. The Group undertakes no obligation to update forward-looking statements and financial information to reflect subsequent occurring events or circumstances, or to changes in its expectations, except as may be required by law. The past performance and business model of the Group is not necessarily indicative of the future performance and business model of the Group.

About Sunpower Group Ltd.

Sunpower Group Ltd. (SGX: 5GD.SI) is a leading provider of industrial steam with a sizeable portfolio of recurring, long-term income-generating Green Investments (“GI”) projects that use innovative integrated environmental-protection technology to facilitate the development of the circular economy and help China to attain its carbon peak and carbon neutrality goals. It was founded in China in 1997 and listed on the Singapore Exchange (SGX) in 2005.

In 2020, Sunpower announced the disposal of its Manufacturing and Services (“M&S”) business for an attractive consideration that unlocked value and improved investment returns for investors. To reward shareholders and bondholders, a substantial Special Dividend of S\$0.2412 a share was declared and paid in 2021. Following the monetisation of M&S, the sole principal business of the Group is the Green Investments (“GI”) business where it has a sizeable portfolio of GI projects that generate 100% recurring, long-term income.

Sunpower is successfully expanding the GI business by leveraging its robust business model with a unique competitive edge to unlock the long-term growth potential. With the application of innovative technology packages that raise high entry barriers, a proven effective management team to provide leadership and execution capabilities in operations and risk management. Sunpower is continuously shaping a green future for itself as it takes its circular economy GI business to greater heights with its unique know-how.

Sunpower actively undertakes the responsibility of promoting the sustainable development of the economy and society and has been recognised by various environmental and industry associations. To date, Sunpower has been included as a member of the China Association of Environmental Protection Industry (中国环境保护产业协会), Renewable Energy Generation Branch of China Electric Power

Promotion Council(中国电力发展促进会可再生能源发电分会), Shandong Province Electric Power Enterprise Association (山东省电力企业协会), Energy Association of Jiangsu Province (江苏省能源行业协会), and Jiangsu Association of Environmental Protection Industry (江苏省环境保护产业协会), and as a director member of Hebei Association of Environmental Protection Industry (河北省环境保护产业协会). In March 2023, Jiangsu Sunpower Clean Energy Co., Ltd was named as the “Advanced Unit for Green and Low-Carbon Development of the Thermoelectric Industry under the 14th Five-Year Plan” (十四五热电产业绿色低碳发展先进单位).

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



To subscribe to Telegram updates, please scan the QR code above or email your name and preferred email address to ir@sunpowergroup.com.cn for email updates.