



中聖集團

SUNPOWER GROUP LTD.



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**POLLUTION**

ANNUAL REPORT 2024



# Corporate Profile



**Sunpower Group Ltd. (SGX stock code: 5GD.SI) was established in 1997 and publicly listed on the SGX-ST (Singapore Exchange Securities Trading) in 2005.**

Sunpower's principal business is the Green Investment (GI) business, which focuses on investing and operating centralised cogeneration projects located in economically-developed regions or industry clusters of excellence.

With 11 GI projects in commercial operation, Sunpower is a leading centralised provider of clean industrial steam to industrial parks in China. It also supplies clean civil heating to households, electricity to the State Grid, and other complementary products and services such as compressed air to certain industrial parks. Sunpower is a pioneer adopter of the circular economy model that facilitates the clean and efficient use of feedstock and enables energy conservation and emission reduction in ways that align with the Carbon Peak and Carbon Neutrality goals in China.

Sunpower's GI projects have the capacity to generate long-term, high-quality, recurring income. They typically have exclusive concessions and an extensive network of pipelines that typically enhances their *de facto* exclusivity for industrial steam supply in their coverage areas. Further, they operate on a Business-to-Business ("B2B") model with a price adjustment mechanism that links feedstock costs to industrial steam prices. These factors put the GI projects in a strong position to supply steam, a non-discretionary input product, to a large and diversified base of customers. Structural growth drivers mainly include the organic expansion of customers, the relocation of new enterprises into industrial parks, and/or the long-term structural development of industrial parks served by the GI projects. Sunpower is continuously ramping up its GI project portfolio and aims to realise the long-term growth potential of the GI projects.

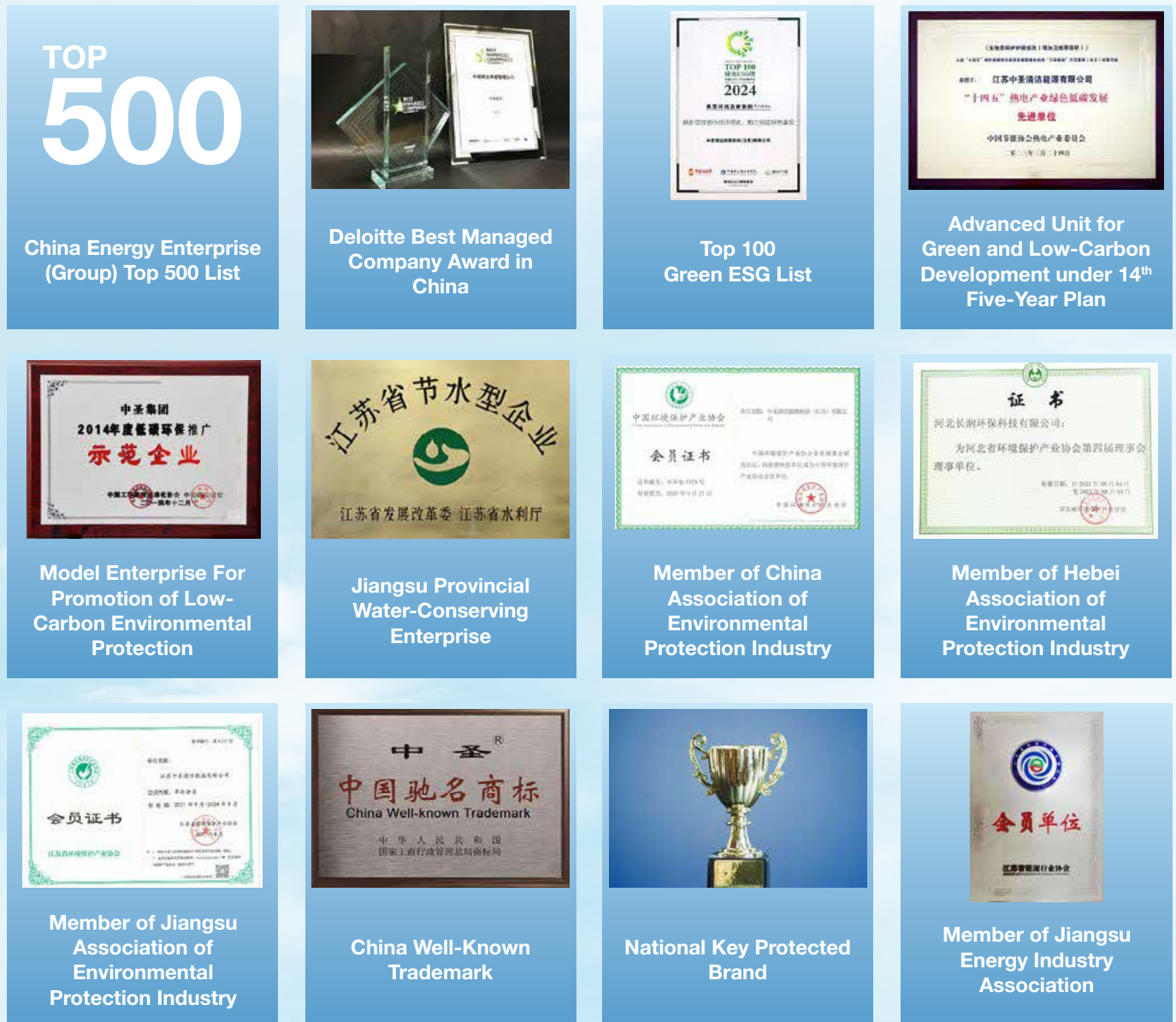
The Group has a long-term focus on enhancing shareholder value and investor returns. The Group has declared and paid dividends for 14 years since FY2010. In FY2021, it declared and paid a substantial special dividend of S\$0.2412 per share to bondholders and shareholders from the proceeds of the disposal of its original Manufacturing and Services ("M&S") business.

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# Key Awards and Accreditations

Sunpower has received numerous awards for its outstanding performance and achievements. As a member of several environmental and energy-related associations, it is widely recognised for its focus on sustainable development and its commitment to environmental protection.



## Selected Awards and Accreditations (among others)

No.	Name of Award/Accreditation
1	Member unit of Thermal Power Industry Committee of China Energy Conservation Association
2	Member unit of Gas and Thermal Association
3	Innovative Small and Medium-sized Enterprise
4	High Quality Development Pioneer Enterprise
5	Specialised and Sophisticated Small And Medium-Sized Enterprises that Produce New and Unique Products
6	2024 Enterprise R&D Organisational Management Demonstration Unit
7	Two steam products have been awarded the title of "Shantou High-tech Products"
8	Guangdong Province Famous High-tech Products



# Green Investments

Leading centralised provider of clean steam and industrial services for industrial parks

## OVERVIEW OF GI BUSINESS

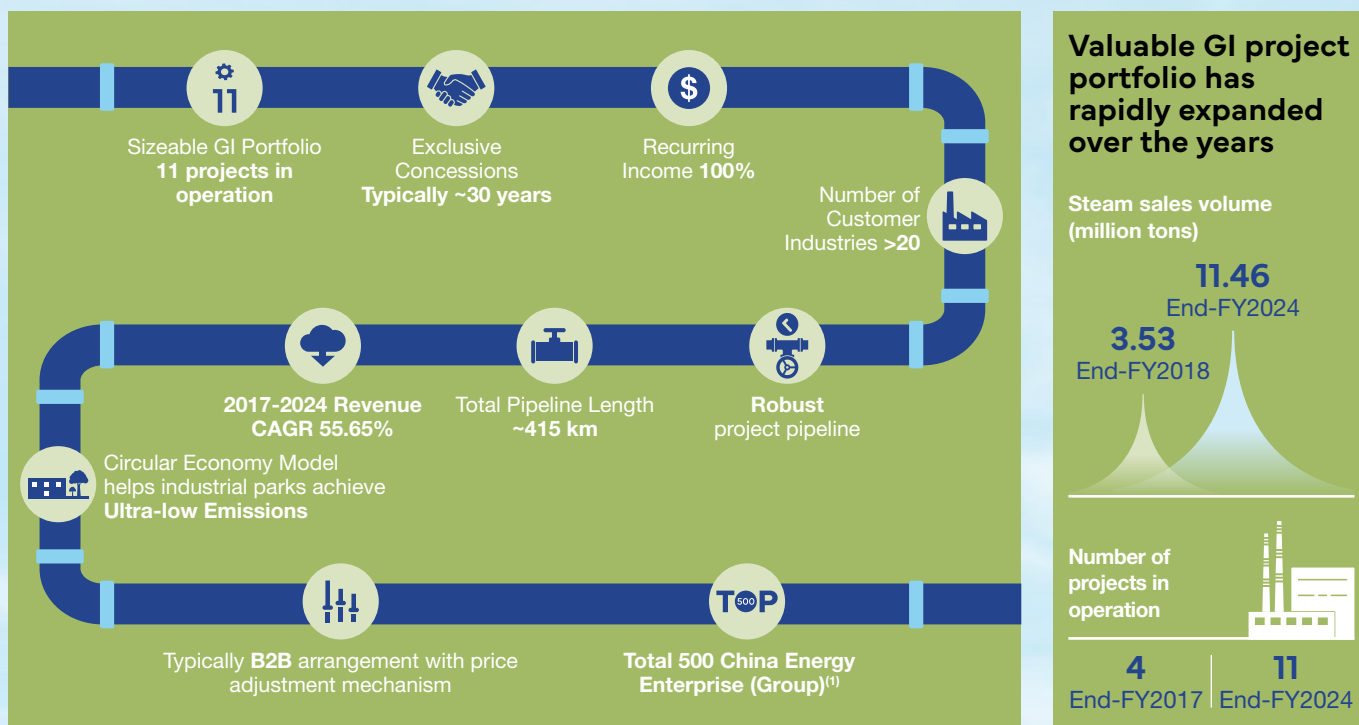
Sunpower is a leading provider of clean steam and industrial services. Its GI business operates high-efficiency, centralised facilities that supply clean industrial steam to a diverse range of industries that typically cater to the vast domestic market of China, pollution-free civil heating to a large base of households, and electricity to the State Grid. In certain cases, the plant also supplies complementary products such as compressed air to enterprises within the industrial parks.

The GI business has expanded rapidly over the past years. From 4 projects in operation in FY2017, Sunpower now has 11 projects in commercial operation at the end of FY2024. The total pipeline length has increased by more than 6 times from FY2017 to 415 km in FY2024. GI steam sales volume has reached 11.46 million tons in FY2024 compared with 3.53 million tons in FY2018, and GI steam sales revenue has continued to grow to RMB3.32 billion in FY2024, 22.1 times more than the initial revenue of RMB0.15 billion in FY2017.

The valuable GI projects are backed by a proven and adaptable business model. At its core is the typically exclusive concession rights and extensive networks of pipelines that typically strengthen *de facto* exclusivity. Also, the large and diversified base of customers from more than

20 industries provides resilient demand as industrial steam is a non-discretionary input product for their production processes. Further, GI projects typically operate on a B2B model with industrial steam users while a contractual price adjustment mechanism supports long-term profitability by linking feedstock costs to industrial steam prices. In addition, Sunpower continues to diversify its feedstock sources and remains flexible in the selection of feedstocks if the feedstocks meet the requirements for producing steam. With this business model, GI projects are capable of generating long-term, high-quality, recurring income. Moreover, the Group's long-term development strategy is aligned with national energy and environment policies that facilitate China's Carbon Peak and Carbon Neutrality goals.

The Group is on track to continue to ramp up its existing GI projects, mainly driven by the organic expansion plans of customers, the relocation of new factories into the industrial parks served by the GI projects, and/or the long-term structural development of the industrial parks that have economic viability or have industry clusters of excellence. Meanwhile, the Group continually evaluates its robust pipeline of high-quality projects with potential.



(1) Sunpower Group has been selected for five years. This list is jointly selected by China Energy News and China Energy Economics Research Institute every year.



# Green Investments

Leading centralised provider of clean steam and industrial services for industrial parks

## DEVELOPMENT STRATEGY ALIGNED WITH NATIONAL POLICIES

Sunpower's long-term development strategy is aligned with various national energy and environment policies. Its GI projects enable and support energy conservation and emission reduction initiatives through the development of centralised clean steam generation facilities, providing clean steam for industrial customers that are an indispensable part of the local region's basic economic development. As a pioneer adopter of the Circular Economy Model, Sunpower's environmentally-friendly GI business facilitates China's Carbon Peak and Carbon Neutrality goals.

"Multiple" pollution sources can be eliminated with just "One" centralised GI plant. Centralised GI plants help industrial parks to attain ultra-low emission status and their enterprises to comply with emission standards. Further, GI projects reduce emissions of carbon dioxide (CO<sub>2</sub>) by over 600,000 tons annually and cut emissions of dust, sulfur dioxide (SO<sub>2</sub>), and nitrogen oxide (NO<sub>x</sub>) by over 65,000 tons annually<sup>1</sup> by facilitating the shutdown of hundreds of small dirty boilers and the environmentally-friendly disposal of pollution sources such as industrial sludge, general solid waste and agricultural waste.

### 14<sup>th</sup> Five-Year Plan and Outline of Vision 2035 (March 2021)<sup>2</sup>

#### 第十四个五年规划和2035年远景目标纲要

- To promote clean and efficient use of coal and other fossil energy sources
- To actively promote centralised steam and heat supply

### 14<sup>th</sup> Five-Year Plan for Renewable Energy Development (June 2022)<sup>4</sup>

#### “十四五”可再生能源发展规划

- To develop biomass cogeneration in an orderly way
- To actively develop biomass clean heating

### 20<sup>th</sup> National Congress on Carbon Peak, Clean & Efficient Use of Feedstock (October 2022)<sup>5</sup>

#### 中共第二十次全国代表大会关于碳达峰和清洁高效利用原料

- To reach Carbon Peak goal in a well-planned and phased way
- To promote the clean and high-efficiency use of feedstock
- To improve the statistics and accounting system and the cap-and-trade system for carbon emissions

### Zoning Policy in the Notice of the Comprehensive Plan to Implement Energy Conservation and Emission Reduction in the 14<sup>th</sup> Five-Year Plan by the State Council (December 2021)<sup>6</sup>

#### “十四五”节能减排综合工作方案

- To promote green and low-carbon development of the economy and society

### Implementation Programme for Improving the Construction and Operation of Biomass Power Generation Projects (September 2020)<sup>10</sup>

#### 完善生物质发电项目建设运行的实施方案

- To improve the subsidy mechanism for biomass power generation projects
- To expand the channels for utilising biomass energy
- To implement policies to support biomass power generation

### 14<sup>th</sup> Five-Year Plan for Circular Economy Development (July 2021)<sup>3</sup>

#### “十四五”循环经济发展规划

- To promote development of circular economy industrial parks
- To promote centralised steam facilities and Circular Economy Development

### Action Plan to Realise Peak Carbon Emissions by 2030 (October 2021)<sup>9</sup>

#### 国务院关于印发2030年前碳达峰行动方案的通知

- To promote the circular development of industrial parks
- To organise enterprises to implement clean production transformation in industrial parks
- To actively promote centralised supply of steam and heat

### Interim Regulations on the Administration of Carbon Emission Trading (January 2024)<sup>7</sup>

#### 碳排放权交易管理暂行条例

- To regulate carbon emission rights trading and related activities
- To strengthen control over greenhouse gas emissions
- To actively and steadily promote carbon peak and carbon neutrality

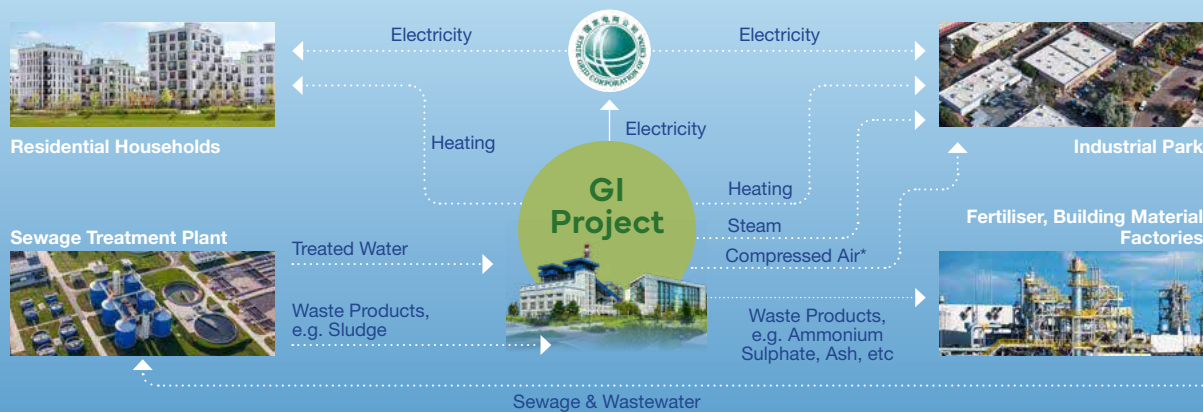
### Supplementary Notice on Relevant Matters of Several Opinions on Promoting the Healthy Development of Non-hydro Renewable Energy Generation (September 2020)<sup>8</sup>

#### 关于《关于促进非水可再生能源发电健康发展的若干意见》有关事项的补充通知

- To determine subsidies, a biomass power generation project will have a total of 82,500 hours of reasonable utilisation throughout its lifecycle
- Biomass power generation projects will no longer enjoy central financial subsidy funds after 15 years from the date of grid connection

## Pioneer Adopter of the Circular Economy Model (“CEM”)

The 14<sup>th</sup> Five-Year Plan promotes the development of circular economy industrial parks and centralised steam facilities, while Sunpower has been adopting the CEM concept since 2016.



## Benefits

### Society

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

### Industrial Park

- 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.

### Shareholder

- 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.

1 Based on internal calculations and estimates.  
 2 [https://www.gov.cn/xinwen/2021-03/13/content\\_5592681.htm](https://www.gov.cn/xinwen/2021-03/13/content_5592681.htm)  
 3 [https://english.www.gov.cn/policies/policywatch/202107/08/content\\_WS60e639b0c6d0df57f98dc92b.html](https://english.www.gov.cn/policies/policywatch/202107/08/content_WS60e639b0c6d0df57f98dc92b.html)  
 4 [https://zfxxgk.nea.gov.cn/1310611148\\_16541341407541n.pdf](https://zfxxgk.nea.gov.cn/1310611148_16541341407541n.pdf)  
 5 [https://www.gov.cn/zhengce/zhengceku/2021-10/26/content\\_5644984.htm?eqid=f712a994000263210000005646397d0](https://www.gov.cn/zhengce/zhengceku/2021-10/26/content_5644984.htm?eqid=f712a994000263210000005646397d0)

6 [https://english.www.gov.cn/news/topnews/202210/25/content\\_WS6357df20c6d0a757729e1bfc.html](https://english.www.gov.cn/news/topnews/202210/25/content_WS6357df20c6d0a757729e1bfc.html)  
 7 [https://www.gov.cn/zhengce/zhengceku/202402/content\\_6930138.htm](https://www.gov.cn/zhengce/zhengceku/202402/content_6930138.htm)  
 8 [https://www.gov.cn/gongbao/content/2022/content\\_5674299.htm?eqid=efbbef1a00012d3e00000006645c4641](https://www.gov.cn/gongbao/content/2022/content_5674299.htm?eqid=efbbef1a00012d3e00000006645c4641)  
 9 [https://www.gov.cn/zhengce/zhengceku/2020-10/21/content\\_5552978.htm](https://www.gov.cn/zhengce/zhengceku/2020-10/21/content_5552978.htm)  
 10 [https://www.nea.gov.cn/2020-09/16/c\\_139372803.htm](https://www.nea.gov.cn/2020-09/16/c_139372803.htm)



# Green Investments

Leading centralised provider of clean steam and industrial services for industrial parks

## BUSINESS MODEL THAT BUILDS VALUABLE ASSETS

Sunpower's Value Proposition: A leading industrial services provider that builds valuable project assets with superior capabilities and long-term growth potential



### Leading Industrial Services Provider

- Large and diverse customer base from ~20 industries, with strong economic viability located in economically developed areas or industry clusters of excellence
- Industrial steam is a non-discretionary key input product for industrial customers that are an integral part of the development of the local infrastructure and economy
- Clear strategic position that focuses on providing clean industrial steam and industrial services
- Pioneer and early mover in development of sizable centralised steam facilities portfolio with circular economy model
- Practices ESG and sustainability values
- Sizeable portfolio of 11 GI projects in commercial operation in 2024



### Proven Capabilities

- Exclusive supplier with high entry barriers based on typically exclusive concessions and extensive networks of pipelines that typically enhance *de facto* exclusivity
- Typically B2B business model with contractual relationships directly with industrial steam users
- Flexible feedstock diversification strategy, currently including feedstocks such as clean utilisation of coal, sludge, solid waste, renewable biomass, etc
- Application of innovative technology packages enhance entry barriers against competition and lower emissions
- Technological transformation and upgrades capable of improving GI projects' profitability and efficiency
- Price adjustment mechanism that enables long term profitability by linking feedstock costs to industrial steam prices
- Capability to identify robust project pipeline and evaluate quality GI projects



### Long-Term Growth Potential

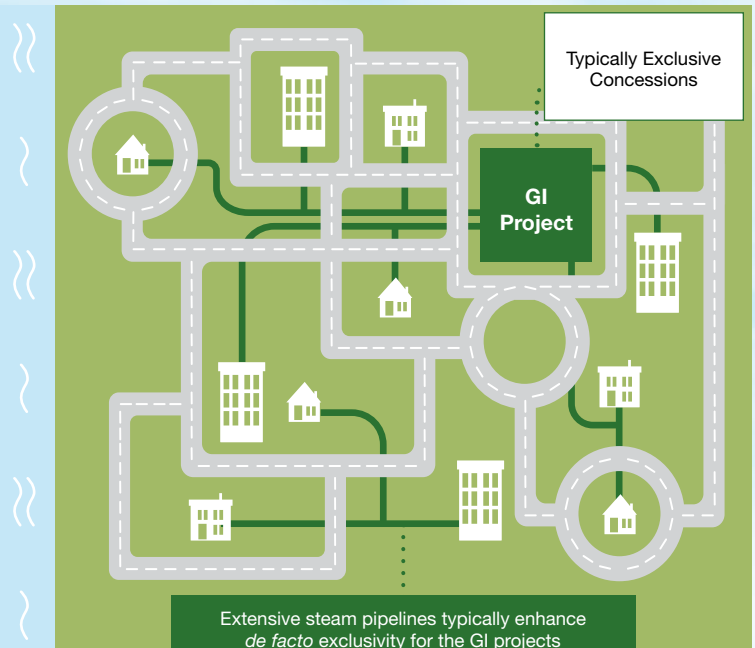
- Growing steam demand from customers' organic expansion plans, the relocation of new factories into industrial parks served by GI projects, and/or the long-term structural expansion of industrial parks to support the growth of existing GI projects
- Beneficial economies of scale
- To leverage artificial intelligence (AI) to enhance efficiency and reduce operational costs
- Mature and replicable project development model across the GI business cycle to support sustainable growth
- Large addressable market in China with room for further development
- Continuous evaluation of robust pipeline of high-quality projects with potential

Valuable assets in the GI project portfolio

The Group has further potential to unlock shareholder value

### High Entry Barriers

Provision of steam within concession/coverage areas based on typically exclusive concessions and extensive networks of pipelines that typically enhance *de facto* exclusivity



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## Large and Diverse Customer Base

GI projects generate a reliable supply of clean steam that meets the needs of customers' continuous demand.

Over the years, GI projects have established a large and diversified customer base from a wide and diverse range of more than 20 industries.

Its customers are located mainly in industrial parks that have strong economic viability in economically developed areas or areas that have strong industry clusters of excellence.



## Key Role of Steam

Industrial steam is a non-discretionary key input product for industrial customers that are an integral part of the development of the local infrastructure and economy.<sup>(1)</sup>

(1) As disclosed above, Sunpower has diverse customer base. These are a few examples of typical industry applications for reference.

### Printing and Dyeing Industry

Steam is used to provide high temperature and high pressure to ensure that the dyestuffs are adequately dissolved and passed on, thus improving the printing and dyeing efficiency.

### Pharmaceutical Industry

Steam is used in various processes such as high-pressure sterilisation, drying, fermentation, distillation, and cleaning. By using steam, the quality and safety of drugs can be ensured, and contamination caused by bacteria and other microorganisms can be avoided.

### Food and Beverage Industry

Steam is used for heating and evaporating beverages, as well as sterilising and drying various foods. By using steam, the quality and safety of food can be ensured, and microbial contamination can be effectively prevented.

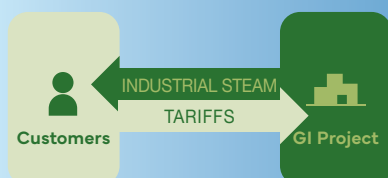
### Paper Industry

Steam is used to heat water, making fibers easier to process, and is also used in processes such as pressing, drying, and baking. By using steam, energy consumption and production costs can be greatly reduced, and the efficiency of paper production can be improved.

### Chemical Industry

Steam is used for heating, dissolving, mixing, separating, and drying various chemical raw materials. In addition, some processes require stable heat supply, and steam can provide efficient and stable thermal energy to ensure that the reaction kettle is heated and cooled within a reasonable temperature difference range.

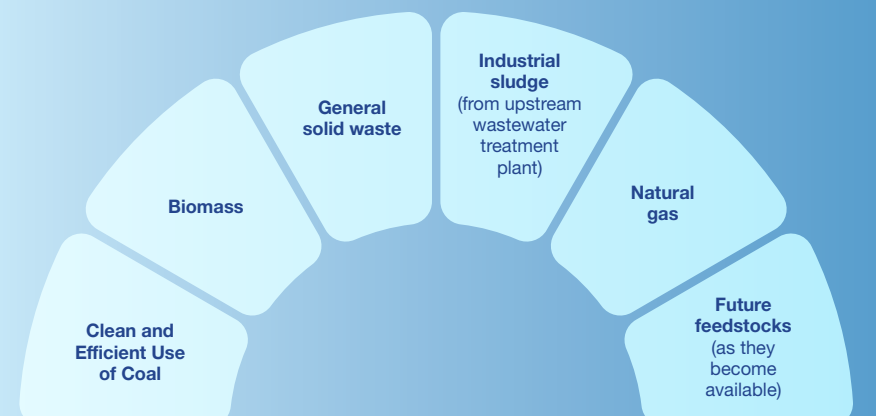
## Typically B2B Business Model



GI projects typically have B2B arrangements with industrial steam users. Contracts to supply industrial steam are signed directly with end-customers instead of the government. Further, steam supplied by GI projects is a non-discretionary production input for industrial customers. This allows Sunpower to have a strong tariff collection ability.

## Flexible Feedstock Diversification Strategy

GI projects have the flexible ability to use a diversified range of feedstocks including sludge, general solid waste, renewable biomass, etc.



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## Application of Innovative Technology Packages

GI projects apply innovative technology packages that enhance their already strong entry barriers against competition, lower harmful emission levels, reduce consumption of feedstock, and improve operational efficiency.



### Long Distance Steam Distribution Pipelines Technology

- Increase geographical reach to captive customers; achieve economies of scale
- Reduce feedstock by minimising temperature and pressure loss during transmission



### Environmental Protection Technologies

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

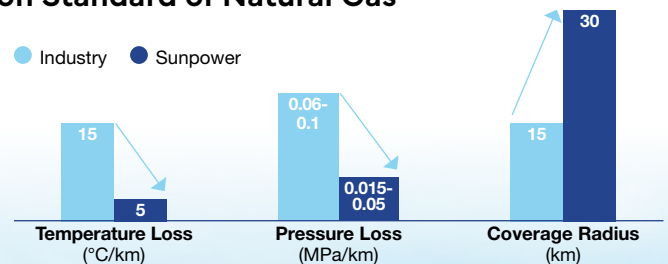


### Energy-Saving Technologies

- High efficiency heat exchange technology
- Gas-gas heater technology
- Low temperature economiser technology
- Flue gas sludge drying & comprehensive utilisation technology

## Ability to Meet or Be Even Lower Than Emission Standard of Natural Gas

Emission Limit (mg/m <sup>3</sup> )	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* <sup>(2)</sup>	Natural Gas Boilers & Gas Turbines <sup>(2)</sup>	Sunpower's Capabilities
Dust	50	30	20	5	< 5
SO <sub>2</sub>	300	100	50	35	< 35
NO <sub>x</sub>	300	100	100	50	< 50

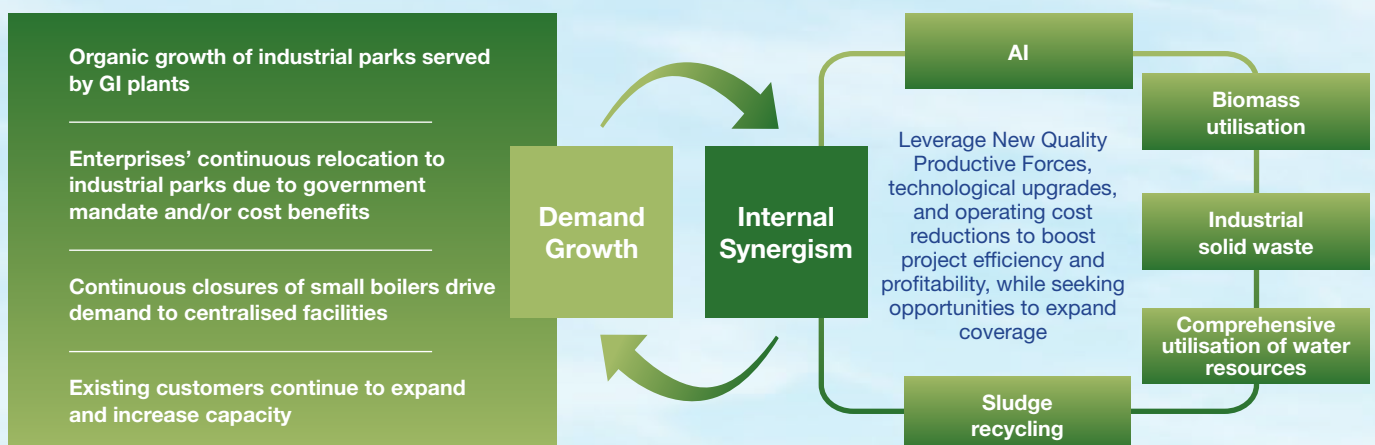


## SUNPOWER HAS GROWTH POTENTIAL WITH ITS ESTABLISHED SIZEABLE GI PORTFOLIO AND STRONG PIPELINE

### The existing GI projects are still ramping up, which will shore up the future growth

Sunpower's existing GI projects are either located in economically-developed regions or industrial parks with strong industry clusters. The existing projects are ramping up on the back of various growth drivers that mainly include the continued closure of small dirty boilers, organic growth and ramp-up of the customers, continuous relocation of new factories into their coverage area, and long-term structural expansion of industrial parks.

Moreover, Sunpower has been implementing various technological transformation and upgrades in its GI projects, and is on track to leverage artificial intelligence (AI) to enhance efficiency and reduce operational costs. As a result, the operational efficiency and profitability of the existing GI projects will be further enhanced.



1 'Emission standard of air pollutants for boiler' by the Ministry of Ecology and Environment of the PRC (GB13271-2014) [http://www.mee.gov.cn/ywgz/fgbz/bz/bzwb/dqjhjh/dqgdwrywrfbz/201405/t20140530\\_276318.shtml](http://www.mee.gov.cn/ywgz/fgbz/bz/bzwb/dqjhjh/dqgdwrywrfbz/201405/t20140530_276318.shtml)

2 '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/dqjhjh/dqgdwrywrfbz/201109/t20110921\\_217534.shtml](http://www.mee.gov.cn/ywgz/fgbz/bz/bzwb/dqjhjh/dqgdwrywrfbz/201109/t20110921_217534.shtml)

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

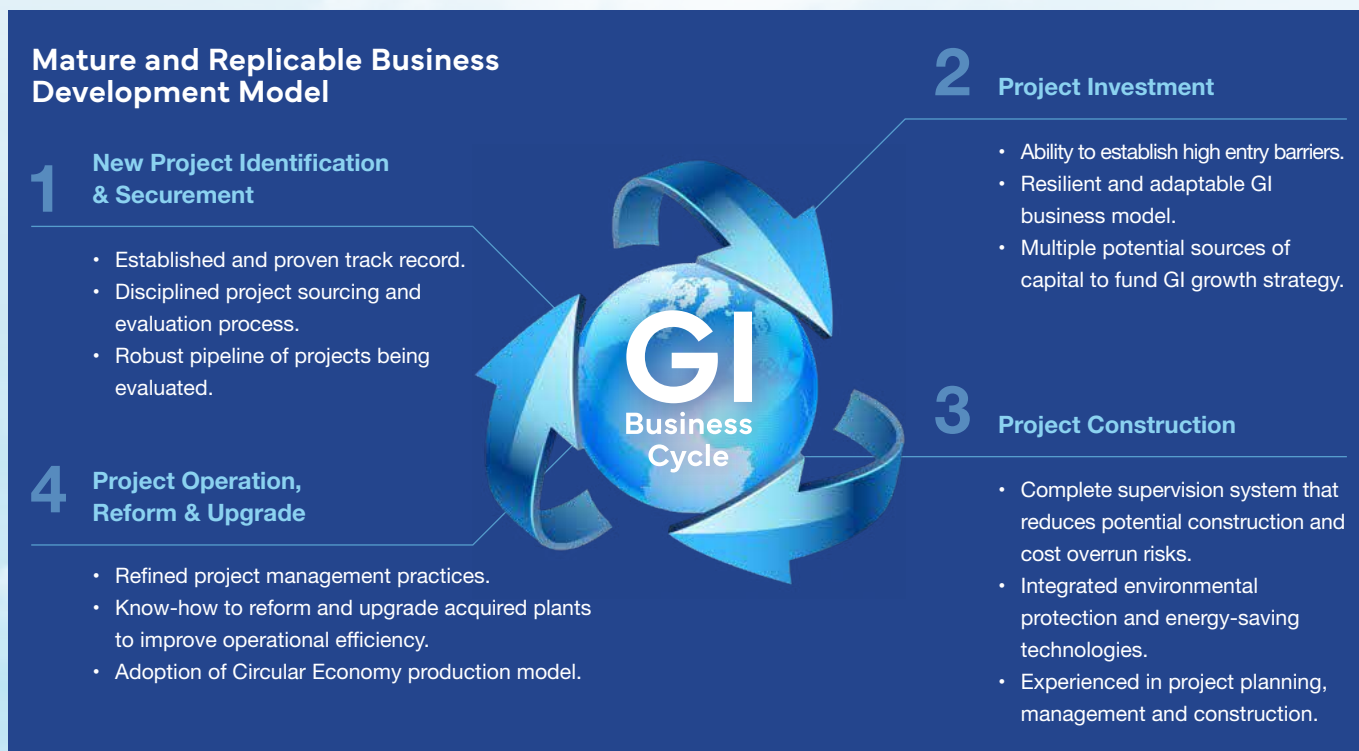


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## Robust project pipeline and proven execution capability have the potential to support future growth

The GI business has a large and addressable market in China and Sunpower has established a robust pipeline of projects in the economically-developed regions of China over the years. In addition, Sunpower has built a mature and replicable business development model that covers the entire GI business cycle, which can support immediate growth if external investments in promising projects in the pipeline are made.

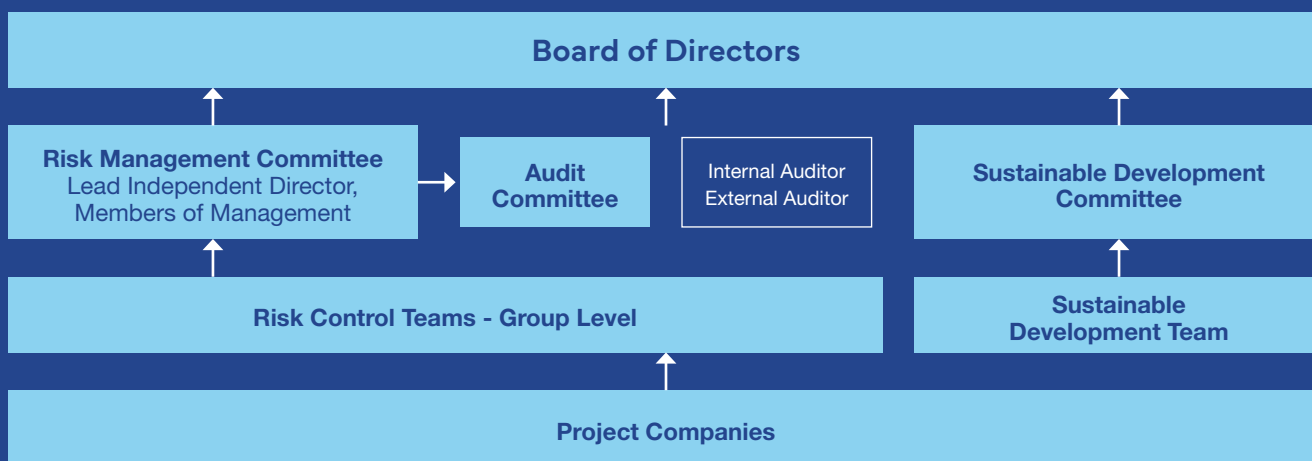


## DISCIPLINED PROFESSIONAL MANAGEMENT WITH STRONG EXECUTION AND ENTREPRENEURSHIP

Sunpower's senior management are proven professionals with decades of combined experience in the GI business. They are seasoned and well-disciplined executives with specialised skills, strong execution capabilities and entrepreneurship. Their proven capability to navigate the company through various challenges lays a strong foundation for future development.

## WELL-ESTABLISHED OPERATIONAL MANAGEMENT SYSTEMS WITH DEMONSTRATED CAPABILITIES

Sunpower's management has created and refined an Operational Management System that targets to maximise efficiency and effectiveness and reduce the Group's risk exposure.



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## OPERATIONAL MANAGEMENT SYSTEMS

**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 portfolio of GI projects across China.

**Comprehensive Budget Management System** supports the Group's financial operations to manage and achieve performance targets. With a precise approval limit system, it enables the GI project companies to operate independently within their authorised scopes.

## ESG AND SUSTAINABLE DEVELOPMENT SYSTEMS

**Environmental, Social and Governance ("ESG")** material topics are woven into the business, ensuring implementation of ESG strategies throughout the organisation.

*Note: For further information, please refer to the Sustainability Report Summary and the 2024 Sustainability Report.*

**Sustainable Development Committee** guides the Sustainable Development Team, which comprises senior management and heads of various functional departments, and provides insights for the Board to improve the Group's sustainability governance.

**Climate Change Management System** facilitates active participation in the formulation and implementation of climate change strategies and responses, and contribute to the control of global climate change issues.

## BETTER POSITIONED TO FOCUS ON ITS BUSINESS STRATEGY FOLLOWING THE REDEMPTION OF THE EXISTING CONVERTIBLE BONDS ("CBs")

In 2025, the Group is expected to fully redeem the existing CBs with an aggregate principal amount of approximately US\$130 million that were issued to DCP Capital Partners L.P. ("**DCP**") and CDH China Management Company Limited ("**CDH**") (collectively, the "**Existing Bondholders**") in March 2017 and October 2018.

To fund the redemption, the Company announced the undertaking of a renounceable, non-underwritten Rights Issue of CBs due in 2030 (the "**CB Rights Issue**"), and the partial repayment of the existing CBs to DCP and CDH through the use of the current resources of the Group, namely bank borrowings (the "**Partial Redemption**") on 9 December 2024<sup>1</sup>.

Thus far, total payments of approximately US\$81.25 million have been made to the Existing Bondholders, including the principal amount, accrued and unpaid interest, and a premium, that would achieve the Redemption Yield-to-Maturity ("**YTM**") for the Existing Bondholders. Further, the Company announced the results of the CB Rights Issue on 28 March 2025<sup>1</sup>, and it is expected to fully redeem the existing CBs in April 2025.

With the resolution of the existing CBs issue, the Group will be able to focus on its corporate strategy, which is anchored on the resilient GI business model and its core structural growth drivers. The Group has outlined major internal initiatives to further reduce the cost, and enhance the efficiency and profitability, of its GI projects. These measures include leveraging artificial intelligence ("**AI**"), as well as the comprehensive utilisation of water and feedstock resources (e.g., biomass and industrial solid waste) to optimise overall raw material costs. The Group will also capitalise on its existing sludge recycling business to increase treatment income from sludge treatment and disposal.

Furthermore, the Group is actively exploring ways to lower interest costs, which will further enhance profitability and deliver greater value to shareholders. Strategically, the Group remains dedicated to unlocking the growth potential of its GI business while continuing to deliver value to its shareholders.

<sup>1</sup> For full information, please refer to the Company's announcements from 9 December 2024 to 28 March 2025.



# Green Investments

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## GI FINANCIAL HIGHLIGHTS

### Proven Track Record in Delivering Solid Financial Performance

In 2024, Sunpower's GI business consolidated its performance following the recovery in 2023. Demand for clean industrial steam from GI customers remained robust, which allowed the GI projects to continue to ramp up their utilisation. As a result, total steam sales volume rose 9.5% YoY to reach a record high of 11.46 million tons in FY2024.

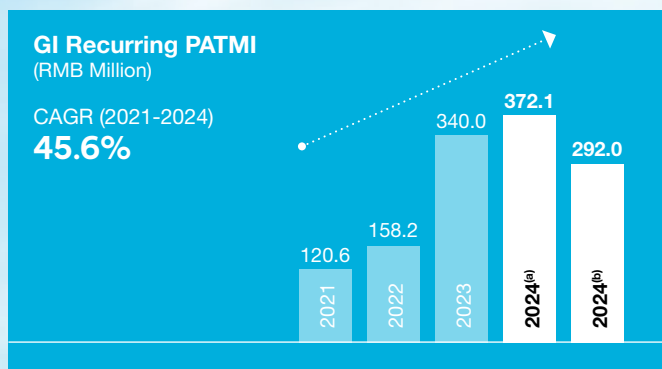
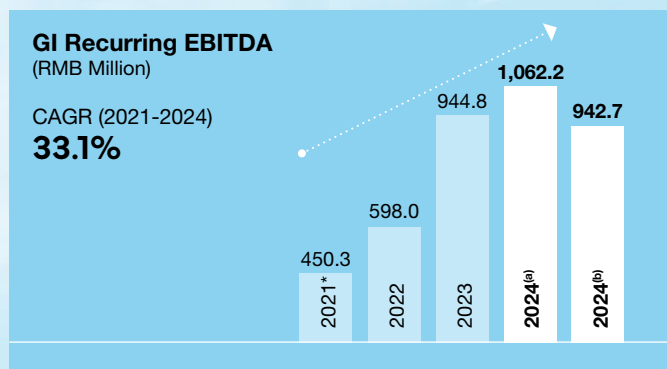
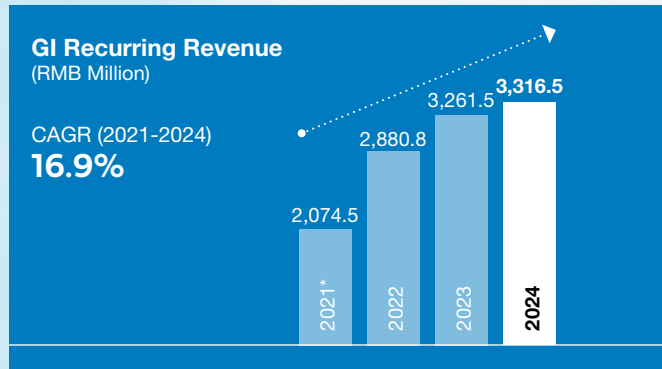
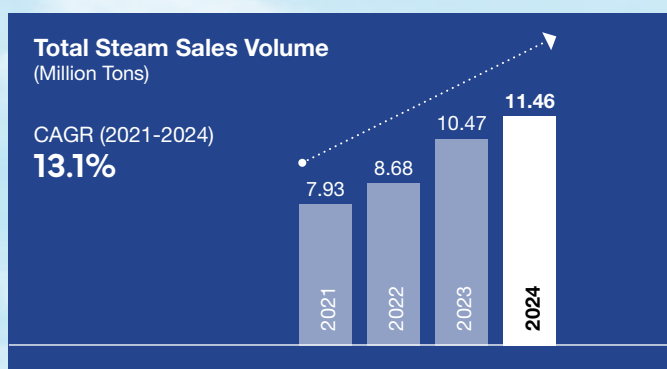
Concurrently, GI recurring revenue<sup>1</sup> rose 1.7% YoY to RMB3,316.5 million, with the growth attributed to the higher steam sales volume. However, the growth was moderated by the continuing execution of the price adjustment mechanism that links feedstock cost to industrial steam price.

However, the profit of the GI business in FY2024 was impacted by a one-off provision for bad debt made in 3Q2024 on account of a reduction in biomass power subsidies for two GI projects that have biomass boilers and sell biomass-generated electricity to the State Grid – Xintai Zhengda Project and Tongshan Project – of which the negative impact to net profit attributable to the shareholders was approximately RMB80.1 million. As a result, GI recurring EBITDA<sup>2</sup> and GI recurring PATMI<sup>3</sup> (including provision for bad debt in 3Q 2024) fell 0.2% YoY and 14.1% to RMB942.7 million and RMB292.0 million respectively in FY2024.

Excluding the impact of the one-off provision for bad debt in 3Q2024, however, GI recurring EBITDA and GI recurring PATMI (excluding provision for bad debt in 3Q2024) grew 12.4% and 9.5% to RMB1,062.2 million and RMB372.1 million respectively in FY2024.

On balance, FY2024 profit excluding the 3Q2024 provision for bad debt improved despite challenges due to a comprehensive set of supportive factors, including economies of scale from increased steam sales volume; the price adjustment mechanism; optimised feedstock procurement; efficiency and cost benefits from the application of waste heat recovery technology in Xintai Project; refined management practices, etc.

Going forward, the Group remains focused on enhancing and optimising the profitability and cash flows of its GI business through the continued ramp-up of its GI projects and further execution of its refined management practices. Further, the Group will strive to address and adapt to the challenges and impacts of potential changes in government policies and the macro-economic environment.



\* After adoption of Amendments to SFRS(I) 1-16: Property, Plant and Equipment: Proceeds Before Intended Use that came into effect on 1 January 2022 and is retrospective for FY2021 financial results.

(a) Refers to the GI recurring EBITDA and PATMI excluding provision for bad debt.

(b) Refers to the GI recurring EBITDA and PATMI including provision for bad debt.

**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 page should be read in conjunction with the Financial Statements section in this Annual Report.**

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.

2 GI recurring EBITDA refers to the recurring Earnings before Interest, Tax, Depreciation and Amortisation of the GI Business. It excludes gains or costs incurred by way of the Manufacturing & Services (M&S) business disposal such as excess cash dividends, gain on disposal, withholding tax, etc. in 2021; 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.

3 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 gains or costs incurred by way of the M&S disposal such as excess cash dividends, gain on disposal, withholding tax, etc. in 2021; 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.

# Green Investments

Leading centralised provider of clean steam and industrial services for industrial parks

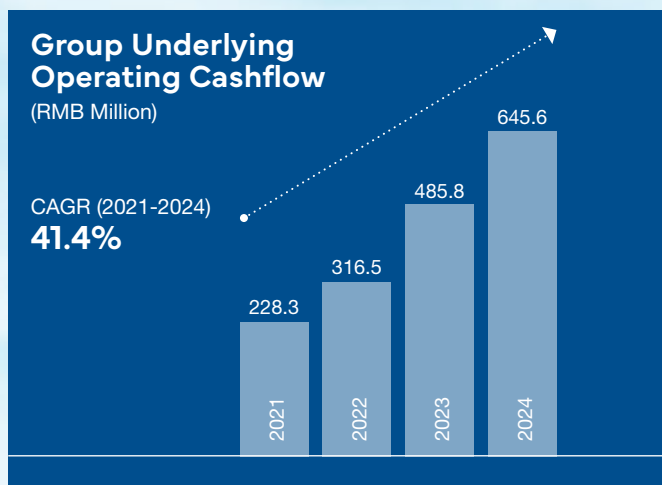
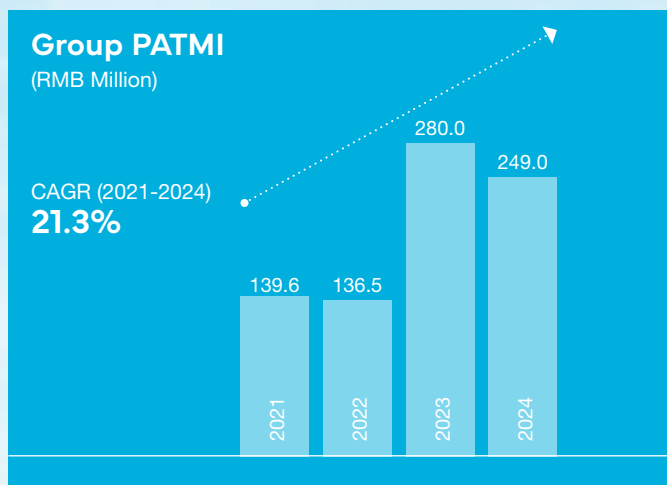
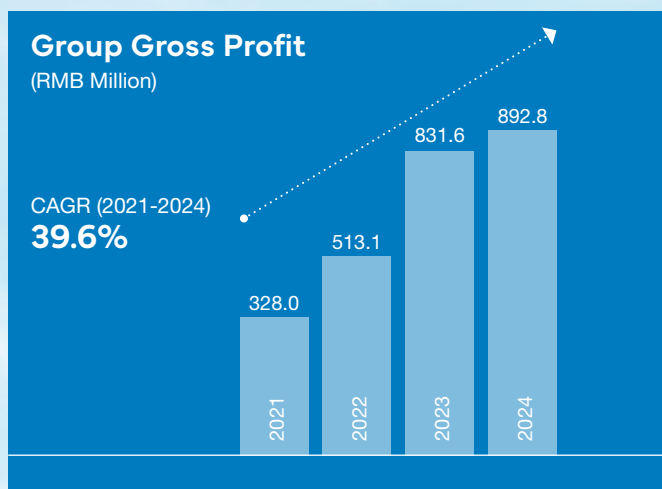
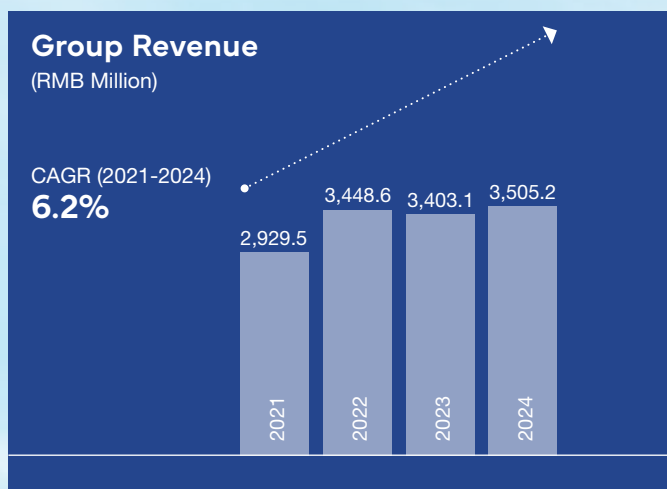
## GROUP FINANCIAL HIGHLIGHTS

Group Financials from Continuing Operations (RMB'M)	2021 <sup>(1)</sup>	2022	2023	2024
Group revenue	2,929.5	3,448.6	3,403.1	3,505.2
Group gross profit	328.0	513.1	831.6	892.8
Group PATMI <sup>(2)</sup>	139.6	136.5	280.0	249.0
Group underlying operating cashflow <sup>(3)</sup>	228.3	316.5	485.8	645.6

Notes: The 2022 and 2023 financial figures in the above reflect the financial performance of the Group from continuing operations and excludes that of the M&S business following its disposal.

1. After adoption of Amendments to SFRS(I) 1-16: Property, Plant and Equipment: Proceeds Before Intended Use that came into effect on 1 January 2022 and is retrospective for FY2021 financial results.
2. FY2021 Group PATMI excludes gain on disposal of RMB934.3 million and expenses incurred by the Company in connection with the M&S disposal, namely the excess cash dividend paid to Convertible Bond holders which is recognised as finance cost; project adviser fees; and withholding taxes.
3. Underlying operating cashflow excludes annual CB interest. CB interest was RMB22.6 million in FY2023 and RMB23.4 million in FY2024.

Group revenue in FY2024 was RMB3,505.2 million, due mainly to the ramp-up of the GI business and contributions from services for BOT projects, including EPC services, which are provided by the Group. Group PATMI without the financial effects of CBs in FY2024 was RMB249.0 million, which reflects the operating results of the Group within the current period. It includes a one-off provision for bad debt made in 3Q2024 on account of a reduction in biomass power subsidies for two GI projects that have biomass boilers and sell biomass-generated electricity to the State Grid – Xintai Zhengda Project and Tongshan Project – of which the negative impact to net profit attributable to the shareholders was approximately RMB80.1 million. Group underlying operating cashflow was RMB645.6 million in FY2024.





# Corporate Information

## Board of Directors

**Guo Hong Xin**  
Non-Executive Chairman

**Ma Ming**  
Executive Director

**Yang Zheng**  
Lead Independent Director

**Wang Dao Fu**  
Independent Director

**Li Lei<sup>1</sup>**  
Non-Executive and  
Non-Independent Director

**Wang Guannan<sup>1</sup>**  
Non-Executive and  
Non-Independent Director

**Ross Yu Limjoco**  
Independent Director

**Mak Yen-Chen Andrew**  
Independent Director

**Pan Shuhong<sup>2</sup>**  
Non-Executive and  
Non-Independent Director

**Ngoo Lin Fong<sup>2</sup>**  
Non-Executive and  
Non-Independent Director

## Audit Committee

**Ross Yu Limjoco**  
Chairman

Yang Zheng  
Mak Yen-Chen Andrew

## Nominating Committee

**Wang Dao Fu**  
Chairman

Guo Hong Xin  
Li Lei<sup>1</sup>  
Yang Zheng  
Wang Guannan<sup>1</sup>  
Ross Yu Limjoco  
Mak Yen-Chen Andrew  
Pan Shuhong<sup>2</sup>  
Ngoo Lin Fong<sup>2</sup>

## Remuneration Committee

**Mak Yen-Chen Andrew**  
Chairman

Li Lei<sup>1</sup>  
Wang Dao Fu  
Wang Guannan<sup>1</sup>  
Ross Yu Limjoco  
Pan Shuhong<sup>2</sup>  
Ngoo Lin Fong<sup>2</sup>

## Independent Committee

Yang Zheng  
Wang Dao Fu  
Ross Yu Limjoco  
Mak Yen-Chen Andrew

## Company Secretary

Ho Wui Mee Marian

## Deputy Secretary

Chew Bee Leng

## Bermuda Resident Representative and Assistant Secretary

Ocorian Services (Bermuda) Limited  
Victoria Place, 5<sup>th</sup> Floor, 31 Victoria  
Street, Hamilton HM 10 Bermuda

## Principal Place of Headquarters

No. 2111 Chengxin Avenue High-tech  
Industrial Park Jiangning District,  
Nanjing, Jiangsu, 211112 People's  
Republic of China

## Registered Office

Victoria Place, 5<sup>th</sup> Floor 31 Victoria  
Street Hamilton HM 10 Bermuda

## Singapore Share Transfer Agent

In.Corp Corporate Services Pte.Ltd.  
36 Robinson Road  
#20-01 City House  
Singapore 068877

## Bermuda Share Registrar and Transfer Agent

**Ocorian Management (Bermuda) Limited**  
Victoria Place, 5<sup>th</sup> Floor 31 Victoria  
Street Hamilton HM 10 Bermuda

## Auditors

**Deloitte & Touche LLP**  
Public Accountants and Chartered  
Accountants  
6 Shenton Way  
#33-00 OUE Downtown 2  
Singapore 068809  
Audit Partner: Toh Yew Kuan since  
financial year ended 31 December 2022

## Principal Bankers

Bank of China  
Bank of Communications Co., Ltd.  
China Construction Bank Corporation  
China Minsheng Banking Corp., Ltd.  
Guangdong Huaxing Bank Co., Ltd.

1 Mr Li Lei and Ms Wang Guannan will each step down as a Director and cease to be a member of the Nominating Committee and Remuneration Committee in April 2025, subsequent to the full redemption of the Existing Bonds but prior to the AGM on 29 April 2025.

2 Based on the information available as at 28 March 2025, Ms Pan Shuhong and Mr Ngoo Lin Fong shall be appointed to the Board on the Issue Date, which is expected to be on or about 3 April 2025 as disclosed in the Offer Information Statement dated 10 March 2025 ("Offer Information Statement"), following the exercise of the right by the BLP Concert Party Group (as defined in the Offer Information Statement) to nominate a maximum of two persons to the Board upon issuance of the Convertible Bonds (as defined in the Offer Information Statement) pursuant to Condition 9 of the terms and conditions of the Convertible Bonds. For further information, please refer to Section 1 of the Corporate Governance Report on page 24 of this Annual Report.

# Chairman's Statement



**GUO HONG XIN**  
Non-Executive Chairman

## DEAR FELLOW SHAREHOLDERS,

On behalf of the Board of Directors (the “**Board**”), I would like to present our annual report for the financial year ended 31 December 2024 (“**FY2024**”).

In 2024, geopolitical risks, including escalating conflicts in more regions around the world<sup>1</sup> and renewed rounds of protectionist tariffs<sup>2</sup>, have heightened the potential for volatile and uncertain macroeconomic changes. The World Economic Forum’s Global Risks Report 2024 highlights geopolitical tensions as the primary threat to global economic growth in the years ahead.<sup>3</sup>

Despite the mixed macro-environment increasingly fraught with potential challenges, the Group is still striving to achieve the progressive development of its GI projects. At the close of FY2024, the Group had a sizeable portfolio of 11 operational GI projects, including Shanxi Xinjiang Project which commenced commercial operations at the end of 2023. Key milestones were also achieved in the continued development of other existing projects. For instance, Quanjiao Project has completed the construction of a biomass boiler to supply steam to industrial end-users, in addition to the existing boiler; Yongxing Plant’s solid waste JV was operational; while Xintai Project saw an improved performance followed technological reforms.

Furthermore, the overall GI business demonstrated notable resilience in 2024. Total steam sales volume rose to 11.46 million tons while GI recurring revenue reached RMB3.3 billion.

### **GI profitability continued to grow excluding a one-off provision for bad debt in 3Q2024**

Excluding a one-off provision for bad debt in 3Q2024 related to a reduction in biomass power subsidies for two GI projects—Xintai Zhengda Project and Tongshan Project—that use

biomass boilers to generate electricity for sale to the State Grid, GI recurring EBITDA<sup>4</sup> rose 12.4% YoY to RMB 1,062.2 million while GI recurring PATMI<sup>5</sup> rose 9.5% YoY to RMB 372.1 million in FY2024.

Including this one-off provision for bad debt, GI recurring EBITDA and GI recurring PATMI declined by 0.2% YoY and 14.1% YoY, to RMB942.7 million and RMB292.0 million, respectively, in FY2024.

Furthermore, GI recurring operating cash inflow<sup>6</sup> reached RMB678.2 million in FY2024, an improvement of 28.5% over FY2023.

On balance, FY2024 revenue, profit (excluding the provision for bad debt) and cashflow improved despite the various challenges, driven by a comprehensive set of factors. These included economies of scale from increased steam sales volume, the price adjustment mechanism, optimised feedstock procurement, benefits from the application of waste heat recovery technology in Xintai Zhengda Project; and refined management practices, among others.

Looking ahead, despite the volatility and uncertainties across the various sectors, Sunpower will strengthen itself and remain focused on enhancing and optimising the profitability and cashflows of the GI business through the continued ramp-up of its GI projects and further execution of its refined management practices to unlock potential future growth opportunities. The Group’s growth strategy continues to be underpinned by its adaptable business model and key structural drivers, including the relocation of enterprises to industrial parks served by the GI projects, organic customer growth, the long-term structural expansion of industrial parks with strong economic viability due to their locations in economically developed areas or industry

<sup>1</sup> <https://www.economicsobservatory.com/how-are-geopolitical-risks-affecting-the-world-economy>

<sup>2</sup> <https://edition.cnn.com/2024/09/13/politics/china-tariffs-biden-trump/index.html>

<sup>3</sup> <https://www.weforum.org/stories/2024/08/geopolitics-inflation-central-banks/>

<sup>4</sup> For the definition of GI recurring EBITDA, please refer to the GI Financial Highlights page of the 2024 Annual Report.

<sup>5</sup> For the definition of GI recurring PATMI, please refer to the GI Financial Highlights page of the 2024 Annual Report.

<sup>6</sup> For the definition of GI recurring operating cashflow, please refer to the GI Financial Highlights page of the 2024 Annual Report.



# Chairman's Statement

**"Looking ahead, Sunpower remains focused on enhancing and optimising the profitability and cashflows of the GI business through the continued ramp-up of its GI projects and further execution of its refined management practices to unlock potential future growth opportunities."**

clusters of excellence, and the continued closures of small boilers. In addition, the Group intends to leverage artificial intelligence (AI) to enhance the efficiency of the GI projects to reduce operational costs and boost profitability.

In parallel, the Company will continue to evaluate its project pipeline for quality projects with potential. The Group will strive to address and adapt to the challenges and impacts of potential changes in government policies and the macro environment.

## **The Group's redemption of the existing Convertible Bonds ("CBs") which mature in April 2025, allows the Group to focus on its long-term business strategy**

On 9 December 2024, the Company announced the undertaking of a renounceable, non-underwritten Rights Issue of CBs due in 2030 (the **"CB Rights Issue"**), and the partial repayment of the existing CBs to DCP and CDH through the use of the current resources of the Group, namely bank borrowings (the **"Partial Redemption"**)<sup>7</sup>, in order to fully repay the existing CBs with an aggregate principal amount of approximately US\$130 million that mature in April 2025.

The CB Rights Issue will provide the entitled shareholders who are confident of the future prospects of the Company with an opportunity to further participate in the equity of the Company through the conversion of the CBs into equity at a reasonable discount, while benefiting from the CB coupon interest. The combination of CB Rights Issue and Partial Redemption aims to achieve a balanced overall mix of debt and convertible securities, mitigating the potential excessive dilutive effect.

As at the date of publishing this Annual Report, the Company has completed three Partial Redemption tranches, repaying US\$81.25 million to the Existing Bondholders, including interest and YTM redemption premium on the portion of the

outstanding principal amount of the Existing Bonds that was redeemed. In addition, the Group is on track to complete the CB Rights Issue<sup>7</sup> using the funds raised from the CB Rights Issue to redeem the balance of the existing CBs, including the principal amount, accrued and unpaid interest, and a premium, that would achieve the Redemption YTM for the exiting Bondholders, DCP Capital and CDH Investments.

The Company would like to extend its appreciation to Mr Li Lei and Ms Wang Guannan, the directors who represented the exiting CB holders for their steadfast support since their investments in the Group in 2017 and 2018, and to welcome its new directors, Ms Pan Shuhong and Mr Ngoo Lin Fong, who represent the new CB holders, to the Board.

In addition, with the significant progress made in fulfilling its redemption obligations under the Existing Bonds, the Company will be better positioned to focus on its business strategy and continue to deliver value to its shareholders.

## **Appreciation**

On behalf of the Board, I would like to thank our shareholders, customers, and business partners for your continued trust and support.

The Group remains focused on the improvement of shareholder value. Sunpower Group is on track to realise its growth potential with the focus on unlocking more potential value from its valuable assets for its shareholders and bondholders in the long term.

**GUO HONG XIN**

Non-Executive Chairman

<sup>7</sup> For full disclosure, please refer to the announcements of the Company from 9 December 2024 to 3 April 2025.

# Board of Directors



Mr. GUO HONG XIN  
Founder, Chairman

Mr. Guo founded Sunpower and currently serves as the Non-Executive Chairman of the Board. Prior to establishing Sunpower, he served as the director of the Heat Pipe Technology Research Center of the Nanjing Chemical Institute. From 1993 to 1997, Mr. Guo was a director and deputy general manager of Shengnuo Group. Between 1995 and 1997, he served as the Vice Dean of the Heat Pipe Technology Development Institute at Nanjing Tech University and concurrently as the Deputy Director of the Heat Pipe Technology Promotion Centre under the National Ministry of Science and Technology. In 2015, he was appointed as an Independent Non-Executive Director of Genscript Biotech Corporation, a Hong Kong-listed company. Additionally, Mr. Guo serves as a Part-time Instructor at the MBA Education Center of Nanjing University, as well as an Industry Professor and Distinguished Professor at Nanjing University of Technology. In 2017, he was appointed as an Entrepreneur Mentor for EMBA Alumni at Tsinghua University.

Mr. Guo has received numerous awards and honours. He received the Science and Technology Progress Award from the Ministry of Education of the People's Republic of China ("PRC"), the National Federation of Industry and Commerce, Jiangsu Province and the China Petroleum and Chemical Industry Federation in 1994, 2009, and 2010, respectively. Mr. Guo was recognised as a "Great Contributor to Nanjing Science and Technology" in 2006 and was awarded a special government allowance by the State Council of the PRC in 2012 for his distinguished contributions. He was appointed as the leader of the National Standardisation Technical Committee for heat pipes in 2008. In 2011, he was acknowledged as one of "Jiangsu's Top 10 Outstanding Entrepreneurs" and "Innovative Entrepreneurial Talents," elected as an expert of the "333 High-Level Talents Training Project," and engaged as a pioneering batch of Industry Professor in Jiangsu Province.

In 2015, he was recognised by the Ministry of Science and Technology of the PRC as a talent for science and technology innovation and entrepreneurship ("**Ten Thousand Talents Program**") and appointed as the third batch of industrial professors in Jiangsu Province by the Department of Science and Technology. In 2016, he was esteemed as the "Leading Talent of the National Special Support Program for High-level Talents" by the Organisation Department of the Central Committee of the Communist Party of China. In 2017, Mr. Guo was acclaimed as a Top Expert of Nanjing and appointed as the Vice Mayor of Science and Technology by the government of Changyi City, Shandong Province. He was the recipient of the Ernst & Young Entrepreneur of the Year 2018. In 2019, he was titled "Jiangsu Outstanding Entrepreneur". In 2021, Mr. Guo was awarded the second prize of the National Science and Technology Progress Award.

In 2023, he was designated as a "Jiangsu Science and Technology Entrepreneur" by the Jiangsu Provincial Party Committee and Provincial Government, and jointly awarded "The Most Beautiful Science and Technology Worker in Jiangsu Province" by various departments including the Jiangsu Provincial Party Committee Publicity Department, Provincial Science and Technology Association, and Provincial Science and Technology Department. In 2024, Mr. Guo was honoured with the First Prize in Metallurgical Science and Technology by the China Iron and Steel Association and The Chinese Society for Metals. He was recognised as the "Nanjing City Outstanding Contributor to Socialism Development with Chinese Characteristics (6<sup>th</sup> Session)" by the Nanjing Municipal Committee of the Communist Party of China and Nanjing Municipal People's Government. He was appointed as an "Expert Reviewer for the China Association for Science and Technology Talent Awards" by the Training and Talent Service Centre of China Association for Science and Technology, and as "Vice President of Jiangsu Province Talent Innovation and Entrepreneurship Promotion Association". He was also named as "Outstanding Entrepreneur of 2022-2023" by the Nanjing New Industry Association.

On June 28, 2021, on the occasion of the 100<sup>th</sup> anniversary of the founding of the Communist Party of China, Mr. Guo was honoured with the title of "National Outstanding Communist Party Member," a recognition of his achievements and the brilliant accomplishments of Sunpower over more than two decades. Since establishment of Sunpower, Mr. Guo has been committed to the industrialisation of scientific and technological achievements, leading the company to along a path of domestic innovation and sustainable development through "industry-university-research" collaboration. Mr. Guo has led the company in advancing excellent performance management, contributing tirelessly to China's increased production, energy conservation, and the advancement of a circular economy. In June 2022, Mr. Guo received the Nanjing Mayor Quality Award Personal Award. On July 20, 2023, his story of innovation was featured in the fourth episode of the prominent industrial documentary "Pillars of Talent: The Craftsmanship" on the CCTV Finance and Economics Channel.

Mr. Guo graduated in 1983 with a Bachelor's degree and obtained his Ph.D. in Geotechnical Engineering from the Cold and Arid Regions Environmental and Engineering Research Institute of the Chinese Academy of Sciences in 2010. In 2014, He received an EMBA degree at Tsinghua University.



# Board of Directors



**Mr. MA MING**  
Co-Founder, Executive Director, CEO

Mr. Ma joined Sunpower as the Company's co-founder. Through the various stages of the Company's development, he was responsible for marketing, sales, production, procurement, finance and investment, among others. He was appointed as Executive Director of the Group in 2004, overseeing finance, investments, mergers & acquisitions, investor relations, and spearheading the work on Sunpower's IPO on the Singapore Exchange. Mr. Ma has been appointed as the Chief Executive Officer of the Company with effect from 11 August 2021.

In 2008, Mr. Ma was entrusted with the responsibility for overall management and operational development of the Group. Mr. Ma drove the formulation and implementation of strategic planning and comprehensive budget management for the Group, pushed forward the institutionalisation and refinement of corporate management, and propelled the internationalisation of the business and diversification of coverage of industries to attain long-term sustainable development of the Group.

Since the strategic expansion of the Group into the GI Business in 2015, Mr. Ma has led the formulation of the strategic plan and business model and is responsible for the implementation of its long-term objectives. He takes charge of the entire business development cycle including market research and development, project investment and financing, project implementation, development and construction, as well as post-investment operational management. Mr. Ma has led the establishment of professional management systems and teams and has managed the GI Business segment to its current healthy stage of development where it is able to function autonomously within a complete system.

Before co-founding Sunpower, Mr. Ma worked in Nanjing Chemical Industrial Company. In 1992, he founded Hainan Lida Industrial and served as General Manager of that company. Mr. Ma graduated from Nanjing Chemical Engineering Senior College in 1983 and obtained his Master's degree in Engineering Management from the University of Shanghai for Science and Technology.



**Mr. YANG ZHENG**  
Lead Independent Director

Mr. Yang was appointed as an Independent Non-Executive Director in November 2017 and was appointed as Lead Independent Director of the Group on 25 June 2019. Mr. Yang's professional title is Professor, and he is a PRC Certified Public Accountant (CPA), a senior member of the Chinese Institute of Certified Public Accountants (CICPA), a consultant of the Accounting Education Committee of the Accounting Society of China (ASC) and a member of the First National Audit Information and Standardisation Technical Committee. Mr. Yang is currently the President of Shenzhen Rihao Financial Intelligence Research Institute and a Director of SVG Tech Group Co., Ltd. Mr. Yang has been an accounting teacher at Nanjing Audit University since 1987 and was the Dean of the School of Accounting at Nanjing Audit University. He was a part-time Professor at Curtin University of Australia and served as Vice-President of Xi'an Eurasia University from 2014 to 2018. Mr. Yang has also served as an independent director in a number of companies and is currently an independent director of Meig Smart Technology Co., Ltd. Mr. Yang graduated with a Bachelor's degree in Economics from Anhui University in 1982. He studied as a visiting scholar in the field of auditing in Nanjing University from 1994 to 1995, and received professional training at the German Federal Court of Auditors and the Hong Kong Financial Services Institute.

# Board of Directors



**Mr. LI LEI\***  
Non-Executive,  
Non-Independent Director

Mr. Li was appointed as a Non-Executive Director in March 2017 and was last re-elected on 24 June 2020. He worked in McKinsey & Company's Beijing Office as an Analyst from 2006 to 2007. Mr. Li was Vice President of Beijing Dinghui Venture Investment Advisory Co., Ltd. from 2007 to 2009 and Executive Director of Dinghui Investment Management (Tianjin) Company Limited from 2009 to 2016. Mr. Li has served as the Managing Director of CDH Investments Management (Hong Kong) Limited since January 2016. Mr. Li holds two Bachelor's Degrees in law and economics and a Master's Degree in law.



**Mr. WANG DAO FU**  
Independent Director

Mr. Wang was appointed as an Independent Director on 25 June 2019 and was last re-elected on 28 April 2021. He graduated with a Bachelor of Law degree from Peking University in 1984. From August 1993 till May 2002, he worked with many established Singapore law firms as their Chinese Legal Counsel. Mr. Wang then set up Shanghai Yuntai Law Offices in 2004 and is the firm's founding partner. He has more than 30 years of PRC legal practice experience in a wide range of areas, including capital markets, corporate finance and mergers & acquisitions. Mr. Wang currently serves as a director of Matex International Limited.



**Ms. WANG GUANNAN\***  
Non-Executive,  
Non-Independent Director

Ms. Wang is an Executive Director at DCP, where she was actively involved in several equity investment deals. Prior to DCP, Ms. Wang was an Analyst at Hony Capital from June 2012 to June 2014 and Senior Associate at MBK Partners from June 2014 to June 2018. Ms. Wang graduated from Massachusetts Institute of Technology with a Master in Finance and Peking University with a Bachelor of Engineering and Economics.

\* Mr Li Lei and Ms Wang Guannan will each step down as a Director and cease to be a member of the Nominating Committee and Remuneration Committee in April 2025, subsequent to the full redemption of the Existing Bonds but prior to the AGM on 29 April 2025.



# Board of Directors



**Mr. MAK YEN-CHEN ANDREW**  
Independent Director

Mr. Mak was appointed as an Independent Director on 13 May 2024.

He is a practising lawyer with more than 29 years of experience in legal practice in Singapore. He is currently a consultant with Fortis Law Corporation. His current practice focuses on mergers and acquisitions, joint ventures, securities and capital markets, listed company work, general corporate/commercial work and cross-border transactions. He is also familiar with corporate governance, from the perspectives of a legal practitioner as well as an independent director of listed companies.

He is the non-executive chairman and independent director of H2G Green Limited (listed on the Catalist Board of the SGX-ST). He is also a board member of The Singapore Lyric Opera Limited. He is a Senior Accredited Director, accredited by the Singapore Institute of Directors.

Mr. Mak was awarded the Public Service Medal (Pingat Bakti Masyarakat, PBM) by the President of Singapore in the 2012 Singapore National Day honours list. He graduated from the National University of Singapore in 1994 with a Bachelor of Laws (Second Class Honours Upper Division).



**Mr. ROSS Y. LIMJOCO**  
Independent Director

Mr. Limjoco is a seasoned professional with over three decades of experience spanning various industries across domestic and international markets. Currently, he holds multiple leadership positions, including Founder and Managing Partner at Anchorage Assurance, a boutique audit firm, and Founder and Managing Director at Anchorage Consulting Private Limited, a comprehensive accounting, corporate secretarial, and tax advisory firm. He also leads Valuation Advisory Pte Ltd, a reputable boutique valuation firm, and Beacon Management Advisory Private Limited, a corporate advisory firm, all based in Singapore. In the Philippines, Mr. Limjoco serves as the Founder and President of Anchorage Professional Consultancy, Inc., and Founder and Chairman of Kim & Limjoco Associates.

Mr. Limjoco began his career at SGV & Co (formerly a member firm of Arthur Andersen), where he later served on secondment to Arthur Andersen, Singapore. He continued his career at Arthur Andersen as an Audit Manager. Subsequently, he played a pivotal role at BDO LLP from 2003 to 2012, culminating in his position as Director and Head of Business Transaction Services and IPO.

From 2012 to 2014, Mr. Limjoco brought his expertise to PSL Holdings Limited as Chief Financial Officer. He then joined Nexia TS Advisory Pte Ltd in 2016, serving as Audit Director and Head of M&A until 2020.

# Board of Directors



**Ms. PAN SHUHONG\***  
Non-Executive,  
Non-Independent Director

Ms. Pan Shuhong has engaged in environment and water-related businesses for the past 25 years. Since 2003, she has successfully founded and invested in a number of companies in the areas of water treatment, advanced materials, energy conservation and emission reduction, artificial intelligence (AI) technology for water and low carbon emission; and smart city sanitation services.

In 2005, she co-founded a membrane company in Singapore, namely Memstar Technology Pte Ltd (**"Memstar"**) which was successfully listed on the Mainboard of the Singapore Exchange (SGX) in 2007. Ms. Pan was the Executive Chairman of the company. Under her leadership, Memstar became one of the largest manufacturers of high-performance hollow fiber membranes in the world. Memstar was recognized in 2013 as one of Forbes Asia's Top 100 SMEs and received the Best Annual Growth award.

In 2014, Memstar merged with United Envirotech Ltd (**"United Envirotech"**) which was listed on SGX Mainboard in 2004. In 2015, China's CITIC Group invested US\$1 billion to acquire a 54% stake in United Envirotech, and the company was then renamed CITIC Envirotech Ltd. Ms. Pan served as Chief Operating Officer of the company and chairman of the Investment Committee, Technology Development Committee and Performance Assessment committee.

Ms. Pan graduated from Jilin University in China with a Bachelor and Master's degree in Chemistry in 1990 and 1993 respectively.



**Mr. NGOO LIN FONG\***  
Non-Executive,  
Non-Independent Director

Mr. Ngoo is Executive Chairman of Leader Environmental Technologies Ltd (**"LET"**). He is a seasoned executive officer with over 20 years of experience in the environmental sector, distinguished by his leadership in multiple key roles throughout his career. Since joining LET in 2020 as Deputy CEO, he has been instrumental in shaping the Group's financial strategy, strengthening risk management frameworks, and driving successful fundraising initiatives. In 2021, he was appointed to the Board as Executive Director/Finance Director, where he has played a pivotal role in steering the Group's growth and leading its transformation into a technology-driven organisation.

Prior to joining LET, Mr. Ngoo served as Chief Financial Officer at CITIC Envirotech Ltd (**"CEL"**) for over 16 years, since its IPO in 2004. During his tenure, he oversaw all aspects of the company's financial operations, including structuring and executing complex debt and equity fundraising transactions. He also led corporate and asset acquisitions across China and Southeast Asia, positioning CEL as a billion-dollar market capitalisation company supported by esteemed investors such as KKR and CITIC Limited.

Earlier in his career, Mr. Ngoo developed a strong foundation in technical accounting and financial governance as an Audit Manager at Deloitte & Touche LLP, where he led audits for multinational corporations, listed companies, and due diligence engagements.

Mr. Ngoo holds a Master's degree in Applied Finance and a Bachelor's degree in Business (Accountancy). He is a member of the Institute of Singapore Chartered Accountants and CPA Australia.

\* Based on the information available as at 28 March 2025, Ms Pan Shuhong and Mr Ngoo Lin Fong shall be appointed to the Board on the Issue Date, which is expected to be on or about 3 April 2025 as disclosed in the Offer Information Statement dated 10 March 2025 (**"Offer Information Statement"**), following the exercise of the right by the BLP Concert Party Group (as defined in the Offer Information Statement) to nominate a maximum of two persons to the Board upon issuance of the Convertible Bonds (as defined in the Offer Information Statement) pursuant to Condition 9 of the terms and conditions of the Convertible Bonds. For further information, please refer to Section 1 of the Corporate Governance Report on page 24 of this Annual Report.



# Key Management

## **Mr. TANG HAO**

**Group Vice President and General Manager of Jiangsu Sunpower Clean Energy Co., Ltd.**

Mr. Tang joined the Group in April 2017 to serve the GI Business. Since 2017, Mr. Tang has served in several roles within Jiangsu Sunpower Clean Energy Co., Ltd., including Assistant to General Manager, Director of Project Support Department, Director of Investment Development Department, Deputy General Manager and General Manager. He is currently Group Vice President and General Manager of Jiangsu Sunpower Clean Energy Co., Ltd.

Prior to joining the Group, Mr. Tang worked for BR Energy Environment Engineering Co., Ltd. as Deputy Director of Regional Investment and Deputy Manager of Platform Support Department. From 2010 to 2014, he held various positions at Hangzhou Environment Group Co., Ltd., including Deputy Manager. From 2014 to 2016, he worked at Huadian Electric Power Research Institute as Regional Project Manager of Environmental Technology Department.

Mr. Tang graduated from Huazhong University of Science and Technology and obtained a bachelor's degree and a master's degree in environmental engineering in 2005 and 2007, respectively. From 2010 to 2013, he published four professional papers, all of which were included in the Chinese core journal of science and technology titled "Environmental Sanitation Engineering".

## **Ms. WANG HUI**

**Chief Financial Officer**

Ms. Wang joined Sunpower Group in June 2016 as a Senior Financial Analysis Manager. She is currently the Group's Chief Financial Officer and is responsible for the Group's overall financial management and reporting. Prior to joining Sunpower Group, she was a Senior Auditor with Ernst & Young from September 2011 to May 2016. Ms. Wang graduated from Soochow University with a bachelor's degree in management in June 2011.

## **Mr. SHI SHAO LIN**

**Group Financial Director and Deputy General Manager of Jiangsu Sunpower Clean Energy Co., Ltd.**

Mr. Shi joined the Group in July 2018 and currently serves as Group Financial Director and Deputy General Manager of Jiangsu Sunpower Clean Energy Co., Ltd. Mr. Shi started his career in 1995 and has decades of experience of financial work in diverse industries. From 1995 to 2014, Mr. Shi worked as Deputy General Manager and Financial Director of Jiangxi Electric Power Fuel Co., Ltd., Financial Director of Jiangxi Sanhe Electric Power Co., Ltd. and Chief of Financial Section of Jiangkou Waterpower Factory. From 2014 to 2016, Mr. Shi was Deputy Director of Finance Department of China Power Investment Corporation International Mining Co., Ltd. From 2016 to 2017, he worked in State Power Investment Corporation Limited as Assistant to General Manager of Xi'an Branch of State Power Investment Corporation Logistics Co., Ltd. and as Deputy Director of Finance Department (in charge of the financial work) of State Power Investment Corporation Guangdong Power Co., Ltd.

## **Mr. SHA JIAN HUA**

**Deputy General Manager of Jiangsu Sunpower Clean Energy Co., Ltd.**

Mr. Sha joined Sunpower Group in March 2017 and currently serves as Deputy General Manager of Jiangsu Sunpower Clean Energy Co., Ltd. Since 2018, he has been also serving as General Manager of Zhangjiagang Yongxing Thermal Power Co., Ltd., Jiangsu Sunpower Electricity Sales Co., Ltd. and Changshu Suyuan Thermal Power Co., Ltd. to enhance the post-investment operation of the Group's project companies. Mr. Sha started his career from 1986 and has been working in the electric power and thermal power industry for decades. From 1986 to 2008, he served in several power plants and thermal power companies, and was responsible for operation, business planning, production, etc. From 2008 to 2016, he worked as General Manager of Jiangsu Huaxia Environmental Protection Energy Sources Co., Ltd., Jiangsu Skyrun International Group Co., Ltd. and Caoxian Huaheng Thermal Power Co., Ltd. From 2016 to 2017, he served as Director of Strategic Investment Department of BR Energy Environment Engineering Co., Ltd.

## **Mr. XU JUN**

**Deputy Chief Engineer and Deputy General Manager of Jiangsu Sunpower Clean Energy Co., Ltd.**

Mr. Xu is concurrently the Deputy Chief Engineer and Deputy General Manager of Jiangsu Sunpower Clean Energy Co., Ltd.. Mr. Xu has decades of professional work experience in the thermoelectric industry since joining in 1999. He worked as Chief Engineer in Reang Eco-Energy Co., Ltd. and Assistant General Manager in Hunan Yongxing Comprehensive Utilisation Power Plant. He also served in Hunan Zixing Coking Power Co., Ltd.

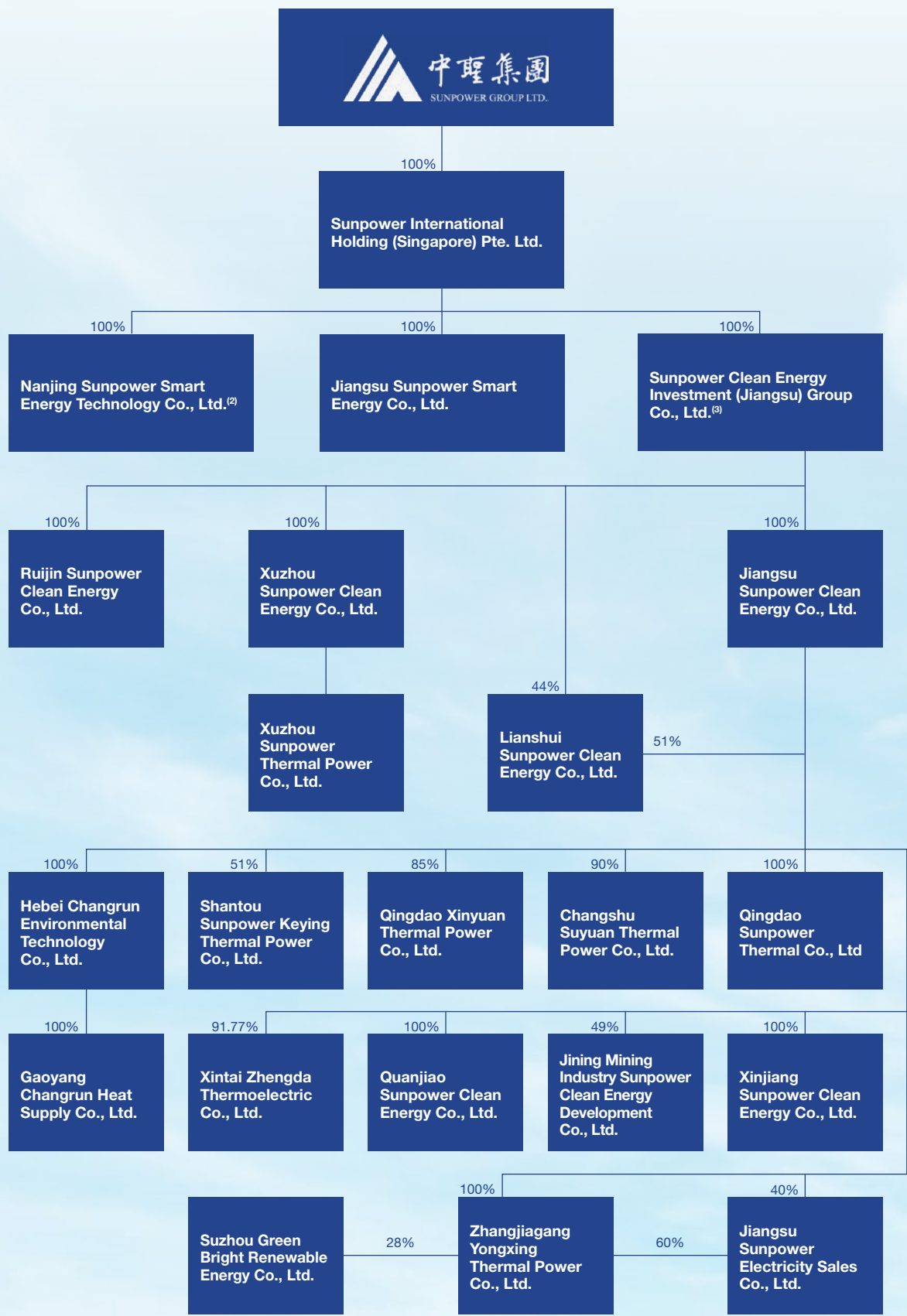
Mr. Xu graduated from Hunan Water Resources and Electric Power School (now Changsha University of Science and Technology) majoring in power plants and power systems. In May 2018, he was appointed by Hunan University of Humanities, Science and Technology as an off-campus tutor for postgraduate students.

## **Mr. WANG NING**

**Deputy General Manager of Jiangsu Sunpower Clean Energy Co., Ltd.**

Mr. Wang is currently the Deputy General Manager of Jiangsu Sunpower Clean Energy Co., Ltd. Mr. Wang studied at Nanjing University of Aeronautics and Astronautics from 2002 to 2004, and graduated with his master degree from City, University of London in 2007. He pursued his MBA from 2014 to 2017 in University of La Verne. Mr. Wang had working experience in China Telecom and GCL as engineer and project manager. He joined Sunpower Group in 2017 as a senior investment analysis manager and now is responsible for investment and operation work.

# Corporate Structure<sup>(1)</sup>



(1) The equity ownership figures in this Corporate Structure are based on the National Enterprise Credit Information Publicity System.  
(2) Jiangsu Sunpower Clean Energy Research Institute Co., Ltd. has been renamed as Nanjing Sunpower Smart Energy Technology Co., Ltd. since 25 April 2024.  
(3) Sunpower Clean Energy Investment (Jiangsu) Co., Ltd. has been renamed as Sunpower Clean Energy Investment (Jiangsu) Group Co., Ltd. since 9 December 2024.  
(4) The Company dissolved several non-operating subsidiaries after comprehensive assessment.



# Sustainability Report Summary

This FY2024 Sustainability Report systematically and comprehensively elaborates on the ESG (Environmental, Social and Governance) strategies, policies, measures, and results of Sunpower and its subsidiaries (“**Sunpower**” or the “**Group**”), while also responding to the expectations and concerns of its stakeholders.

This Summary of the FY2024 Sustainability Report is included in the FY2024 Annual Report to highlight the ESG and economic risks and opportunities faced and encountered by the Group, and its performance and achievements in the year under review based on the material topics. The full version, which is published separately, is available for download on SGXNet ([www.sgx.com](http://www.sgx.com)) and the Group’s IR website (<http://sunpower.listedcompany.com/>).

## ENVIRONMENT

Sunpower Group is a leading centralised provider of industrial steam to industrial parks in China, and supplies civil heating to households, electricity to the State Grid, and other complementary products and services such as compressed air to certain industrial parks. The Group’s long-term growth strategy aligns with China’s energy and environmental policies, focusing on innovation and sustainability. By pioneering the application of the circular economy model, which includes diversifying feedstock sources, clean and efficient use of feedstocks, and producing clean energy solutions, Sunpower actively contributes to the country’s Carbon Peak and Carbon Neutrality goals.

### Environmental management

Sunpower is committed to strengthening its environmental protection responsibilities, builds and completes a clear accountability system, continuously improves the management of environmental protection equipment and facilities, implement compliance review to ensure compliance with environmental regulations .

Sunpower establishes its own environmental management system based on external environmental protection

standards, and integrates HSE (Health, Safety, and Environment) requirements into daily business operations in a bid to enhance overall management and prevent and reduce environmental pollution. The Group has developed a scientifically structured environmental monitoring plan, regularly monitoring emissions of air pollutants, wastewater and noise, as well as the surrounding environmental quality. The Group leverages the importance of all employees in environmental management, encouraging active participation and raising awareness of environmental protection.

### Emissions management

Sunpower adheres to the principle of “preventing pollution and protecting the ecology” by controlling pollutants at the source and implementing effective pollution prevention and control measures to reduce environmental impact. At the same time, it focuses on the protection of the ecosystem surrounding the GI plants and work to maintain ecosystem balance.

The Group strictly complies with national laws and regulations, including the Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People’s Republic of China on the Prevention and Control of Water Pollution, the Law of the People’s Republic of China on the Prevention and Control of Solid Waste Pollution, and the National Hazardous Waste List, as well as relevant local regulations. It continuously refines and improves its internal emission management system to ensure compliance and environmental responsibility.

The Group strictly regulates the collection, classification, storage and transfer of all types of wastes to prevent environmental pollution and ensure full compliance at every stage. There are measures in place to manage waste, wastewater, air emissions, and noise.

### Energy, water resources, and materials management

The Group emphasises highly efficient use of resources. By implementing resource management mechanisms throughout the lifecycle, it is committed to optimising resource management, improve energy

efficiency, actively expand the scope of using clean energy, and promote the recycling of water and materials. These efforts help reduce the environmental impact of its operations.

The Group enhances energy efficiency and reduces energy consumption by optimising production processes and adopting advanced technologies and equipment, thereby achieving clean production and promoting sustainable development. For instance, the Lianshui Project has improved manufacturing efficiency through combustion system optimisation and structural upgrades to implement systematic modifications.

To improve water resource utilisation efficiency and reduce water costs, the Group has set clear water conservation targets and actively promotes measures such as optimising water treatment processes to enhance efficiency. For instance, Xinjiang Project achieves water conservation targets by testing water sampling and recycling the water after ensuring it meets the reuse standard .

Sunpower is committed to reducing the use of materials and continuously improving their utilisation. It applies the concepts of reduce, reuse and recycle to all stages of business cycle, including procurement, production and operations.

### Climate change and greenhouse gases

The Group is highly committed to the global climate agenda and actively supports the national carbon peaking and carbon neutrality targets (“**Dual Carbon Targets**”). In line with the suggestions of the Task Force on Climate-related Financial Disclosures (TCFD), it establishes a governance framework based on the TCFD and continuously identifies and assesses climate change risks, seizing the strategic initiative to prevent and address climate risks .

### Diversification of Feedstock Sources

Sunpower has been actively promoting the diversification of its feedstock sources and remains flexible in the selection of feedstocks if the feedstocks meet the requirements and can produce steam. GI projects have the flexible ability to use a diversified range of feedstocks

# Sustainability Report Summary

including sludge, general solid waste, renewable biomass, etc. In FY2024, the Group further expanded its use of renewable energy. For example, the Group's Quanjiao Project has completed the construction of a biomass boiler to meet the demand of the industrial users. Yongxing Project's joint venture plant has started operations, utilising general solid waste as feedstock.

Additionally, as disclosed previously, Sunpower has adopted blended fuel combustion technology using treated industrial sludge as a substitute feedstock in Changrun and Shantou Project, and used biomass as feedstock in Tongshan Project and Xintai Project. The Group is also advancing initiatives in renewable energy, such as the rooftop solar project of 49%-owned Jining Project. These initiatives diversify the Group's energy structure.

## SOCIAL

### Innovation and R&D

Sunpower is dedicated to its mission of harmonising technology and ecology, aligning with China's "Dual Carbon" goals by driving innovation in energy-efficient and environmentally friendly technologies. The Group supports downstream enterprises in their low-carbon transformation while strengthening intellectual property protection to enhance its technical capabilities and contribute to a sustainable industrial ecosystem.

Sunpower focuses on the development of the environmental protection industry, including cogeneration, clean utilisation of coal, exploration of clean energy, treatment and utilisation of industrial sludge, and comprehensive treatment of general solid waste. The Group is dedicated to the innovation and research of three key areas namely environmental protection technology, energy-saving technology, and steam transmission technology. By continuously enhancing emission reduction and energy efficiency capabilities, the Group strengthens its core competencies and competitiveness.

### Commitment to Customer Satisfaction

On the social front, Sunpower is dedicated to prioritising its customers through the principle of customer-centricity. It delivers high-quality steam and heating services while striving to provide stable, reliable, safe, and efficient clean energy. By continuously enhancing service quality, the Group builds long-term trust and maintains strong relationships with customers.

To ensure exceptional customer service, Sunpower has implemented several initiatives:

- ☑ Return Visit System: Regular door-to-door surveys gather customer feedback to improve service quality.
- ☑ Personalised Service Models: A butler service and one-to-one community service approach enhance customer satisfaction.
- ☑ Complaint Resolution Infrastructure: A 24/7 hotline and an integrated complaint ticket processing platform ensure all complaints are handled professionally and promptly.

### Fostering an Inclusive and Safe Workplace

In addition, Sunpower emphasises an inclusive, supportive, and safe work environment guided by its principle of "sharing responsibilities and creating careers together, sharing achievements and achieving win-win results." The Group ensures the physical and mental well-being of employees through:

- ☑ Collaborative safety practices and coordinated drills.
- ☑ Enhanced health and safety training.
- ☑ Occupational health measures to protect employees' well-being.

Sunpower strictly complies with the Labor Law, the Labor Contract Law, Law on the Protection of Women's Rights and Interests, Law on the Protection of Minors, Prohibition on the Use of Child Labor, Social Insurance Law, and other relevant laws and regulations of the People's Republic of China. In line with these laws and regulations, it has established internal policies and systems such as the Employee Handbook, Personnel Management System, Workers' Congress System,

and other internal policies and systems that enhance recruitment standards, salary structures, and welfare systems, ensuring the comprehensive protection of employees' basic rights and interests.

Furthermore, to foster innovation and encourage active participation in research and development, the Group offers various incentive levels to employees who submit valuable proposals or contribute to significant innovations and technological upgrades.

### Occupational Health and Safety

In the area of occupational health and safety, the Group follows the governance policy of "Comprehensive Management of Safety and Prevention as the Top Priority" to ensure a safe working environment. Key initiatives include:

- ☑ Strengthening the safety framework through the "Notice of Adjustments to the Composition of Members of the Safe Production Committee of Jiangsu Sunpower Clean Energy Co., Ltd."
- ☑ Regular work safety meetings to address major occupational health and safety challenges, reinforcing the Group's commitment to workplace safety.

The Group strictly adheres to national regulations, including the Work Safety Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases. In alignment with these laws and regulations, it has developed internal policies and systems, such as the "Safe Work through Standardisation of Construction Work Management System", "Provisions on Safe Work Management of Engineering Construction Projects", "Measures for the Management of Potential Safety Hazard Management", "Regulations on Occupational Health and Safety Management", "Safety and Environmental Accidents (Incidents) Management System", "Management of Labor Protection Supplies System", among other internal control systems. These policies ensure robust safety and health management practices across the Group's operations.



# Sustainability Report Summary

The Group has implemented comprehensive measures covering all aspects of production and operations. It organises safety training for all construction personnel, ensuring the publicisation of national, industry, and company-level safety management regulations. Weekly safety inspections are conducted, with participation from all parties involved in the construction and operation of projects, to promptly identify and eliminate potential safety hazards. Prioritising the well-being of its employees, the Group continuously strengthens occupational protection measures to safeguard their physical and mental health. This includes providing necessary equipment, offering training on equipment usage, and conducting physical examinations and testing for occupational disease hazards. Additionally, the Group strives to cultivate a positive work environment and provide caring initiatives. It proactively organises a variety of recreational activities, including basketball games, marathons, birthday celebrations, etc. These activities are designed to enrich the lives of employees and assist them in striking a positive work-life balance.

## Supply Chain Management

In the area of supply chain management, the Group has established a comprehensive and rigorous supplier admission process. Requirements include:

- ☉ Submission of business licenses, corporate credit reports, and other relevant documents.
- ☉ On-site assessments of suppliers' enterprise size, fixed assets, and other factors to ensure they have good business reputations and reliable contract performance track records
- ☉ Integration of ESG sustainability criteria into supplier admission evaluations, requiring suppliers to provide relevant certifications documents.
- ☉ Background checks to ensure all suppliers meet the Group's standards, promoting a reliable and sustainable supply chain.

## Contributions to Community and Society

Sunpower integrates its business development with public welfare, fostering a sense of compassion and social responsibility amongst its employees. The Group encourages staff participation in volunteer and community activities, spreading warmth to society. By facilitating visits from local governments and university to project sites, it strengthens the connection between industry, academia, and government, contributing to high-quality development.

## GOVERNANCE

### Corporate Governance Structure

To continuously enhance its governance system and establish an efficient structure with clear rights and responsibilities, Sunpower strictly adheres to relevant regulations, including the 2018 Code of Corporate Governance issued by the Monetary Authority of Singapore.

### Robust Risk Management Framework

Sunpower has established a comprehensive risk management control system that monitors potential risks that may affect its business, operations, financials and/or prospects, including but not limited to:

- ☉ Risks of potential changes in government policy and macro-economic conditions.
- ☉ Continued availability of working capital financing in the amounts and terms necessary to support future business.
- ☉ Availability and cost of capital for existing debt refinancing needs.
- ☉ Potential competition from alternative sources of energy used as feedstock.
- ☉ Delay in receipt of the payment of biomass power subsidies is expected to lead to the continuous increase of the trade receivables.
- ☉ Potential fluctuation in feedstock prices, which may impact the profitability of the Group's industrial team and civil heating businesses.

By integrating social responsibilities with operational activities, Sunpower actively drives high-quality development, elevating its overall governance standards to new heights.

### Ethics and Anti-Corruption Measures

To achieve these objectives, the Group has developed policies and systems addressing anti-corruption, conflicts of interest, insider trading, and fraud reporting, ensuring a multi-dimensional risk defence strategy. At the same time, it integrates internal auditing and control methods to enhance risk management and continuously strengthen the Group's ability to resist risks. All employees are required to sign the "Personal Commitment Letter of Honest Practices" and the Group regularly publicises and enforces the "Integrity Practice Management System" for directors and employees. Also, the Group organises anti-corruption training to further promote ethical conduct across the organisation.

### Board Diversity and Professionalism

Additionally, the Group has established a Board Diversity Policy which aims to ensure an optimal balance of gender, background, knowledge, skills, industry experience and other aspects of diversity, thereby ensuring the diversity and professionalism of the board of directors. This diversity fosters professionalism and enables the board to effectively guide the sustainable development of the Group.

For further information, please refer to the "Corporate Governance" section of the FY2024 Annual Report.

Sunpower is committed to building strong, long-term relationships with stakeholders and actively addressing their expectations through dialogue and communications. The Group has established a regular communication mechanism to engage with stakeholders both on a scheduled and ad-hoc basis. It views stakeholder requirements as a key factor in shaping its ESG strategies and goals, taking prompt actions to continuously enhance its ESG management system while meeting the reasonable demands of stakeholders.

# Corporate Governance Report

The Board (the “**Board**”) of directors (“**Directors**”) and management (“**Management**”) of Sunpower Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) are committed to upholding high standards of corporate governance, including accountability, transparency and sustainability, in order to safeguard the interests of all stakeholders and to promote investors’ confidence. To this end, the Board has in place a set of self-regulating and monitoring mechanisms, in accordance with the Code of Corporate Governance 2018 (the “**Code**”) issued by the Monetary Authority of Singapore.

This report describes the Company’s key corporate governance processes and practices with specific references to the Code.

## 1. LATEST DEVELOPMENTS OF THE BOARD IN RELATION TO THE REDEMPTION OF THE EXISTING BONDS FOLLOWING THE COMPLETION OF THE RIGHTS ISSUE<sup>1</sup>

The Company had issued convertible bonds in an aggregate principal amount of approximately US\$130 million (“**Existing Bonds**”) to Glory Sky Vision Limited, Blue Starry Energy Limited, Green Hawaii Air Limited and Alpha Keen Limited (each an “**Existing Bondholder**” and collectively, the “**Existing Bondholders**”). Under the terms and conditions of the Existing Bonds (as amended, modified or supplemented from time to time) (the “**Existing Bonds T&Cs**”), the Existing Bonds will mature on the later of 3 April 2025 and if so elected by the Existing Bondholders (at their sole discretion) by written notice to the Company delivered not less than ten (10) business days before 3 April 2025, the date that is the 15th business day after the date on which the Company’s audited financial statements for the financial year ended 31 December 2024 (“**FY2024**”) are issued (the “**Existing Bonds Maturity Date**”). On the Existing Bonds Maturity Date, the Group is required to fully redeem the Existing Bonds.

In order to fully repay the liabilities in connection with the Existing Bonds, the Company announced on 9 December 2024 that it would (a) undertake a renounceable non-underwritten rights issue (“**Rights Issue**”) of up to S\$99,609,642 in aggregate principal amount of 7.00% convertible bonds (“**Convertible Bonds**”) convertible into up to 398,438,568 Conversion Shares, and (b) undertake partial repayments of the Existing Bonds using the current resources of the Group, such repayments to be completed prior to the completion of the Rights Issue (the “**Partial Redemption**”). As at 28 March 2025, the Company has effected payment of three tranches of the Partial Redemption, amounting to an aggregate payment of approximately US\$81.25 million (which includes any interests and premium on the portion of the outstanding principal amount of the Existing Bonds redeemed in the relevant tranche of the Partial Redemption in accordance with the terms of the Alternative Redemption Agreement) to the Existing Bondholders.

On 12 March 2025, the Company received a notice dated 12 March 2025 from each Existing Bondholder that, pursuant to Condition 8(A) of the Existing Bonds T&Cs, such Existing Bondholder elects for the Existing Bonds Maturity Date to be the date that is the 15th business day after the date on which the Company’s audited financial statements for FY2024 are issued.

On 28 March 2025, the Company announced that it raised net proceeds of approximately S\$98.36 million (after deducting estimated expenses of approximately S\$1.10 million) from the Rights Issue (“**Net Proceeds**”). The Company will use the Net Proceeds to repay the outstanding principal amount of the Existing Bonds immediately upon the receipt of funds. Subsequent to the full redemption of the Existing Bonds prior to the AGM on 29 April 2025, Mr Li Lei (“**Mr Li**”) and Ms Wang Guannan (“**Ms Wang**”) (Non-Executive and Non-Independent Directors who were nominated by the Existing Bondholders) will step down from their positions as Directors and cease to be members of the Nominating Committee (the “**NC**”) and Remuneration Committee (the “**RC**”). The Company will provide further disclosures on the stepping down of Mr Li Lei and Ms Wang in due course via SGXNet.

On 28 March 2025, the Company also announced that Mr Lin Yucheng, Joyfield Group Limited and Ms Pan Shuhong (“**Ms Pan**”) (and together with BLP Capital (Singapore) Pte. Ltd. collectively, “**BLP Concert Party Group**”) were allotted 46,067,301 Convertible Bonds, comprising 46.3% of the aggregate principal amount of Convertible Bonds available under the Rights Issue. According to Condition 9 of the Terms and Conditions, Bondholders who hold more than 25% of the principal amount of the Convertible Bonds (at issuance) shall be entitled to nominate a maximum of two persons to the Board. Therefore, the BLP Concert Party Group will be entitled to nominate two persons to the Board upon issuance of the Convertible Bonds pursuant to Condition 9 of the Terms and Conditions. Based on the information available as at 28 March 2025, it is expected that the Convertible Bonds will be issued on or about 3 April 2025 (“**Issue Date**”).

The BLP Concert Party Group has informed the Company that it intends to nominate Ms Pan and Mr Ngoo Lin Fong (“**Mr Ngoo**”) as Non-Executive and Non-Independent Directors of the Company on the Issue Date in accordance with Condition 9 of the Terms and Conditions. Their appointments as Non-Executive and Non-Independent Directors of the Company will be effective on the Issue Date in accordance with Condition 9 of the Terms and Conditions.

<sup>1</sup> Unless defined otherwise, the capitalised terms have the same meanings ascribed to them in the Offer Information Statement dated 10 March 2025.



# Corporate Governance Report

## 2. BOARD MATTERS

### The Board's Conduct of Affairs

*Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company*

- (i) Apart from its statutory duties and responsibilities, the Board oversees the management and affairs of the Group. It focuses on strategies and policies, with particular attention paid to growth and financial performance. In addition, the Board has adopted a set of internal guidelines setting forth matters that require the Board's prior approval. The Board is responsible for decisions over matters involving, among other things, conflicts of interests of a substantial shareholder or a Director, approving annual budgets, financial plans, financial statements, business strategies and material transactions such as major acquisitions, divestments, interested person transactions, funding and investment proposals as well as corporate or financial restructuring, share issuance, declaration of dividends and other permitted returns to shareholders. The Group has put in place financial authorisation and approval limits for operating expenditure and procurement of goods and services. It delegates the formulation of business policies and day-to-day management to the Executive Director and its management team.

The principal functions of the Board are to:

- (a) provide entrepreneurial leadership, review and approve the Group's key business strategies and financial objectives, including major investments and divestments and financing of projects;
  - (b) oversee the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance with regulatory authorities and the Group's internal control policies and procedures to safeguard the shareholders' interests and the Company's assets;
  - (c) review the performance of the Management;
  - (d) identify key stakeholder groups and recognise that their perceptions could affect the Company's reputation;
  - (e) set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
  - (f) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.
- (ii) All Directors act objectively to discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Company.
  - (iii) The Board discharges its responsibilities either directly or indirectly through various Board committees. These committees ("**Board Committees**") include the NC, RC and Audit Committee ("**AC**"). Each of the Board Committees functions within its terms of reference. If authority to make decisions on certain board matters is delegated by the Board to any Board Committee, such delegation would be disclosed.
  - (iv) The Board has also established a risk management committee ("**RMC**") to assist the Board on the governance of risk. The membership and key functions of the RMC are set out in the later section of this report.
  - (v) The Board has also established an independent committee ("**IC**") to assist the Board to review and approve interested person transactions (the "**IPTs**").
  - (vi) The Board meets once a year to review and deliberate on the key activities and business strategies of the Group. The Board meets at least four (4) times a year to approve the release of the financial results for the first and third quarters, half-year and full-year. Additional meetings of the Board will be held where circumstances require. The Company's Bye-Laws allow a Board meeting to be conducted by way of teleconference and video-conference.

# Corporate Governance Report

- (vii) The Board, with the concurrence of the NC, is of the view that the Directors have attended and actively participated in Board and Board Committee meetings, and that each Director has ensured that sufficient time and attention has been given to the affairs of the Group in FY2024. The following table discloses the number of meetings held by the Board and Board Committees and the attendance of all Directors in FY2024:

	BOARD		AC		NC		RC	
	NUMBER* ATTENDED*		NUMBER* ATTENDED*		NUMBER* ATTENDED*		NUMBER* ATTENDED*	
Guo Hong Xin	4	4	N/A	N/A	1	1	N/A	N/A
Ma Ming	4	4	N/A	N/A	N/A	N/A	N/A	N/A
Lau Ping Sum Pearce <sup>(1)</sup>	1	1	1	1	1	1	1	1
Chin Sek Peng <sup>(2)</sup>	1	1	1	1	1	1	1	1
Li Lei <sup>(3)</sup>	4	4	N/A	N/A	1	1	1	1
Yang Zheng	4	4	4	4	1	1	N/A	N/A
Wang Dao Fu	4	4	N/A	N/A	1	1	1	1
Wang Guannan <sup>(4)</sup>	4	3	N/A	N/A	1	1	1	1
Limjoco Ross Yu <sup>(5)</sup>	3	3	3	3	0	0	0	0
Mak Yen-Chen Andrew <sup>(6)</sup>	3	3	3	3	0	0	0	0

\* Refer to meetings held and attended while each Director was in office.

- (1) Mr Lau Ping Sum Pearce resigned as a Director and ceased to be the chairman of the RC, a member of the AC and a member of the NC on 25 April 2024. His retirement was pursuant to Bye-laws of the Company and in the light of Rule 210(5)(d)(iv) of the Listing Manual of Singapore Exchange Trading Limited.
- (2) Mr Chin Sek Peng resigned as a Director and ceased to be the chairman of the AC, a member of the NC and a member of the RC on 25 April 2024. His retirement was pursuant to Bye-laws of the Company and in the light of Rule 210(5)(d)(iv) of the Listing Manual of Singapore Exchange Trading Limited.
- (3) As disclosed above in Section 1 of the Corporate Governance Report, Mr Li Lei will step down as a Director and cease to be a member of the NC and the RC in April 2025, subsequent to the full redemption of the Existing Bonds but prior to the AGM on 29 April 2025. The Company will provide further disclosures in connection with the resignation of Mr Li Lei in due course via SGXNet.
- (4) As disclosed above in Section 1 of the Corporate Governance Report, Ms Wang Guannan will step down as a Director and cease to be a member of the NC and the RC in April 2025, subsequent to the full redemption of the Existing Bonds but prior to the AGM on 29 April 2025. The Company will provide further disclosures in connection with the resignation of Ms Wang Guannan in due course via SGXNet.
- (5) Mr Limjoco Ross Yu was appointed as a Director, the chairman of the AC, a member of the NC and a member of the RC on 13 May 2024. He will retire as a Director pursuant to Bye-Law 107(B) of the Bye-Laws of the Company at the forthcoming AGM.
- (6) Mr Mak Yen-Chen Andrew was appointed as a Director, the chairman of the RC, a member of the AC and a member of the NC on 13 May 2024.

- (viii) Each new and existing Director receives appropriate training to develop individual skills in order to discharge his duties as a director of a listed company. A formal letter of appointment would be furnished to every newly appointed Director upon his or her appointment explaining, among other matters, the roles, obligations, duties and responsibilities of a member of the Board. The Group also provides information about its history, mission and values to the Directors. Where necessary, the Directors will be updated regarding new legislation, regulations and changing commercial risks which are relevant to the Group. Appropriate briefing and orientation will be arranged for newly appointed Directors to familiarise them with the Group's business operations, strategic direction, directors' duties and responsibilities and corporate governance practices. They will also be given opportunities to visit the Group's operational facilities and meet the Management so as to gain a better understanding of the Group's business. The Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of their duties and responsibilities. These seminars and training will be funded by the Company. In addition, the Company has adopted more robust internal processes designed to ensure compliance with disclosure requirements under the Mainboard listing rules ("Listing Rules").



# Corporate Governance Report

- (ix) The administration of options is a key focal point of the Board's work. The Board should include new grant applications as an agenda item during Board meetings when there are new option grants. The RC exercises oversight of the Company's internal control framework relating to the administration of any share option schemes and makes recommendations to the Board in respect of possible improvements to such schemes. The Company has initiatives and measures in place to further strengthen its internal processes relating to the grant and exercise of options in accordance with the Listing Rules, including the appointment of external advisors to review the internal processes and provide training if necessary. These initiatives and measures will be reviewed from time to time and updated as necessary.
- (x) The Management monitors changes to regulations, policies and financial reporting standards issued by, amongst others, the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Accounting and Corporate Regulatory Authority of Singapore. Any change that might impact the Group and its disclosure obligations are promptly brought to the attention of the Board, either during Board meetings or *via* circulation of Board papers. The external auditors will update the AC and the Board on the new and revised financial reporting standards that are applicable to the Company or the Group.
- (xi) In addition, the Management regularly updates and familiarises the Directors on the business activities of the Company prior to Board meetings.

## Access to Information

- (i) The Board is provided with management reports, and papers containing relevant background or explanatory information required to support the decision-making process on an ongoing basis and in a timely manner.
- (ii) Board papers are circulated to the Directors before the scheduled meetings so as to allow for a better understanding of the issues and more effective discussion for questions that the Directors may have.
- (iii) The Directors have separate and independent access to the senior Management and the Company Secretaries. The Company Secretaries administer, attend and prepare minutes of meetings of the Board and of the Board Committees, which are thereafter circulated. The Company Secretaries assist the Company to comply with the corporate secretarial aspects of the Bye-Laws and the applicable sections of the Listing Rules and the applicable sections of the Companies Act 1967 and the Securities and Futures Act 2001.
- (iv) The appointment and removal of the Company Secretaries are subject to the approval of the Board.
- (v) In carrying out their duties, the Directors, whether individually or as a group, have direct access to independent professional advisors to obtain advice, at the Company's expense.

## Board Diversity

The Board has put in place a Board Diversity Policy for the Company which endorses the principle that its Board should have the optimum balance of skills, knowledge, experience and other aspects of diversity to avoid groupthink and foster constructive debate, which will support the Group in the pursuit of its strategic and business objectives, and its sustainable development. The policy provides a wide and diverse range of perspectives and insights, which contributes to well-balanced decision-making for the benefit of the Group.

The Company is committed to establishing and maintaining a diverse Board, comprising Directors of different ages, genders, qualifications, skills, backgrounds, experience and knowledge in various fields and relevant industries, and other relevant attributes that will benefit the effective governance of the Group. These differences will be considered in determining the optimal composition of the Board and, to the extent practicable, will be balanced appropriately. All appointments to the Board are based on merit and after due consideration of the collective skills needed to strengthen the overall Board governance role.

When assessing potential candidates for appointment or re-election to the Board, the NC appraises each candidate based on merit, against the objective criteria set by the Board, as well as considering the benefits of diversity in Board members, and the collective needs of the Board.

# Corporate Governance Report

## Gender Diversity and Directors' Skills Matrix

With the appointment of Ms Pan and Mr Ngoo, followed by the stepping down of Mr Li and Ms Wang (as disclosed in Section 1 of the Corporate Governance Report), the Board will consist of seven male Directors including Mr Limjoco Ross Yu and one female Director, of which the male representation on the Board is 87.5%, and the female representation on the Board is 12.5%. The Board recognises that gender is also an important aspect of diversity and will strive to ensure that female candidates will be included for consideration whenever there is a new appointment.

The Board and the Board Committees comprise Directors who collectively provide an appropriate balance and mix of skills, knowledge, talents, experience, and other aspects of diversity, such as executive leadership, financial market expertise, risk and compliance, industry knowledge and legal expertise etc.

The age range and skill matrix of the Board members is set out below:

AGE GROUP	NO. OF DIRECTORS AND PERCENTAGE OF THE BOARD	
50-59	4	50.0%
60-69	3	37.5%
70-79	1	12.5%

DIRECTORS' SKILLS MATRIX	NO. OF DIRECTORS
Executive leadership	6
Financial market expertise	3
Risk and compliance	4
GI industry knowledge	2
Legal expertise	2

## Diversity Targets and Progress in FY2024

The Company and the Board aim to ensure that Directors collectively continue to possess core skills, talents, experience and diversity, so as to achieve the strategic and business objectives of the Group. The Company and the Board believe that such diversity can support the work of the Board's role in formulating and implementing the Company's strategic objectives and providing effective guidance for the Management. To achieve this target, the NC and the Board review and determine on an annual basis the balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, and the optimum size of the Board necessary to facilitate efficient and effective decision making; as well as the targets, plans and timeline set for achieving each aspect of the Board diversity, and as well as the progress made in achieving the objectives set for promoting diversity as described in the policy.

When searching for new director candidates, the NC will carefully consider each candidate's professional background, gender, and alignment with the Company's strategy and related requirements. Mr Limjoco Ross Yu ("Mr Limjoco") and Mr Mak Yen-Chen Andrew ("Mr Mak") were appointed as independent non-executive Directors of the Company with effect from 13 May 2024.



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The Company's Directors have diverse backgrounds, experience and qualifications, and bring a wide range of commercial and financial experience to the Board. Collectively, they provide the necessary business acumen, knowledge, capabilities and core competencies to the Company. The diversity of experience and competencies of the Directors enhance the effectiveness of the Board in discharging its responsibilities. With the appointment of Ms Pan and Mr Ngoo, followed by the stepping down of Mr Li and Ms Wang (as disclosed in Section 1 of the Corporate Governance Report), the Board will consist of Directors with a variety of skills and who collectively have industry knowledge, executive leadership, finance market expertise, risk and compliance, and legal expertise. With respect to age diversity, the Board comprises Directors across diverse age groups: (a) between 50 and 59 years old; (b) between 60 and 69 years old; and (c) between 70 and 79 years old. This introduces varied perspectives to the Board and enable the Board to arrive at broader decisions and strategies which are relevant to the prevailing market, while also reducing the possibility of groupthink.

Regarding progress in Board diversity for 2024, the Board composition was enhanced with the following diverse backgrounds, experience and qualifications of new Directors:

- Mr Limjoco is, by profession, a Fellow Chartered Accountant of Singapore, Certified Public Accountant in the Philippines, ASEAN CPA, Certified Fraud Examiner and Chartered Valuer and Appraiser, and has worked in the accounting profession for approximately 32 years, of which he practised as a Singapore public accountant for 28 years. He is currently the Founder and Managing Director of Anchorage Consulting Pte Ltd, Founder and Managing Partner of Anchorage Assurance, a firm of chartered accountants in Singapore.
- Mr Mak is a practising lawyer with more than 29 years of experience in legal practice in Singapore. He is currently a consultant with Fortis Law Corporation. His current practice focuses on mergers and acquisitions, joint ventures, securities and capital markets, listed company work, general corporate/commercial work and cross-border transactions. He is also familiar with corporate governance, from the perspectives of a legal practitioner as well as an independent director of listed companies. He is a Senior Accredited Director, accredited by Singapore Institute of Directors.

To enable successful succession planning and to enhance Board diversity, the NC takes the view that within the next one to two years, certain directors with relevant expertise and extensive experience in the GI industry or cross-border integration capabilities could be appointed. This is expected to support the Company's future development needs and provide valuable joint advice for the next stage of the Company's business growth.

Going forward, the Board will continue to build on the element of diversity, recognising the importance of having an effective and diverse Board and will review the Board Diversity Policy periodically to ensure its effectiveness and alignment with best practices and the requirements of the Code, as amended from time to time, and any other relevant legislation. Any further progress made in the ongoing implementation of such policy or objectives will be disclosed in future Corporate Governance Reports, as appropriate.

# Corporate Governance Report

## Board Composition and Guidance

*Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company*

(i) The Board comprises the following members:

NAME OF DIRECTOR	POSITION HELD ON THE BOARD	DATE OF FIRST APPOINTMENT TO THE BOARD	DATE OF LAST RE-ELECTION AS DIRECTOR	DUE FOR RE-ELECTION AT THE NEXT ANNUAL GENERAL MEETING	NATURE OF APPOINTMENT
Guo Hong Xin	Chairman	12 May 2004	28 April 2022	Retirement by rotation pursuant to Bye-Laws	Non-Executive/ Non-Independent
Ma Ming	Director/Chief Executive Officer	12 May 2004	28 April 2023	Retirement by rotation pursuant to Bye-Laws	Executive/ Non-Independent
Li Lei <sup>(1)</sup>	Director	3 March 2017	28 April 2023	N/A	Non-Executive/ Non-Independent
Yang Zheng	Director	10 November 2017	25 April 2024	N/A	Non-Executive/ Independent
Wang Dao Fu	Director	25 June 2019	25 April 2024	N/A	Non-Executive/ Independent
Wang Guannan <sup>(2)</sup>	Director	25 February 2022	28 April 2022	N/A	Non-Executive/ Non-Independent
Limjoco Ross Yu <sup>(3)</sup>	Director	13 May 2024	–	N/A	Non-Executive/ Independent
Mak Yen-Chen Andrew	Director	13 May 2024	–	Retirement by rotation pursuant to Bye-Laws	Non-Executive/ Independent
Pan Shuhong <sup>(4)</sup>	Director	3 April 2025	–	Retirement by rotation pursuant to Bye-Laws	Non-Executive/ Non-Independent
Ngoo Lin Fong <sup>(4)</sup>	Director	3 April 2025	–	Retirement by rotation pursuant to Bye-Laws	Non-Executive/ Non-Independent

- (1) According to the information available as at 4 April 2025, Mr Li Lei will step down as a Director and cease to be a member of the NC and the RC in April 2025, subsequent to the full redemption of the Existing Bonds but prior to the AGM on 29 April 2025. The Company will provide further disclosures in connection with the resignation of Mr Li Lei in due course via SGXNet.
- (2) According to the information available as at 4 April 2025, Ms Wang Guannan will step down as a Director and cease to be a member of the NC and the RC in April 2025, subsequent to the full redemption of the Existing Bonds but prior to the AGM on 29 April 2025. The Company will provide further disclosures in connection with the resignation of Ms Wang Guannan in due course via SGXNet.
- (3) Mr Limjoco Ross Yu will retire as a Director pursuant to Bye-Law 107(B) of the Bye-Laws of the Company at the forthcoming AGM.
- (4) Please refer to the sixth paragraph of Section 1 of the Corporate Governance Report.



# Corporate Governance Report

- (ii) With the appointment of Ms Pan and Mr Ngoo and the stepping down of Mr Li and Ms Wang (as disclosed in Section 1 of the Corporate Governance Report) and the retirement of Mr Limjoco, the Board will comprise seven (7) Directors, three (3) of whom are Independent Directors. In accordance with Provision 2.3 of the Code, the Board comprises seven (7) Non-Executive Directors which make up a majority of the Board.

The NC adheres to the provisions of the Listing Rules and of the Code in its review of who can be considered as an Independent Director. The NC is of the view that all the Non-Executive Directors are Independent except for Mr Guo Hong Xin ("**Mr Guo**"), Ms Pan and Mr Ngoo.

Each Independent Director exercises his own judgment independently and in the best interests of the Company and shareholders. None of the Independent Directors has any relationship with the Company, its subsidiaries, its related corporations, its substantial shareholders or its officers that could interfere, or reasonably be perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company.

In accordance with Provision 2.2 of the Code, Independent Directors are to make up a majority of the Board where the Chairman is not independent. Although Mr Guo is the Non-Executive Chairman of the Company, the Independent Directors do not currently make up the majority of the Board. Notwithstanding the foregoing, the Board believes that at this stage, Mr Guo's leadership in his role as Non-Executive Chairman is still merited as Mr Guo is one of the founders of the Company, and continues to support the development of the Group.

In addition, the Board is capable of maintaining the appropriate level of checks and balances. This is demonstrated by the fact that Mr Guo would recuse himself from matters where he has a material personal interest. In such cases, deliberations would be led by the Lead Independent Director. Upon Mr Guo's recusal, the Independent Directors would then make up the majority of the Board deciding on such matters. Accordingly, the Independent Directors are in a strong position to safeguard the interests of the Company, especially when there is a conflict of views and a majority vote is required to reach a decision. In addition, as each Director actively participates in the Board's decision-making process, decisions are made collectively without any individual or small group of individuals influencing or dominating the process.

- (iii) The Board has examined its size and is of the view that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Company. The NC is of the view that no individual or small group of individuals dominate the Board's decision-making process.
- (iv) The Board comprises Directors who are all professionals with diverse backgrounds in financial, accounting, legal, and other industry sectors, thereby enabling them to contribute each of their respective areas of expertise in collectively leading the Company. The NC is of the view that the current Board consists of the appropriate mix of expertise and experience to meet the Company's targets. Qualifications and experiences of the Board members are set out on pages 14 to 18 of the Annual Report. Particulars of interests of Directors who held office at the end of the financial year in shares in the Company and in related corporations (other than wholly owned subsidiary companies) are set out in the Directors' Statement.
- (v) The Non-Executive Directors contribute to the Board processes by monitoring and reviewing the performance of the Management against its goals and objectives. Their views and opinions provide alternative perspectives to the Group's business, and they bring independent judgement to bear on business activities and transactions involving conflicts of interest and other complexities.
- (vi) The Non-Executive Directors meet and/or hold discussions as and when required without the Management's presence to facilitate a more effective check on the Management. Mr Guo may attend the meeting as Non-Executive Director when necessary and he would recuse himself from matters where he has a material personal interest, as deliberated upon in the above Principle 2 (ii).
- (vii) Based on the Group's current size and operations, the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company, consistent with the spirit and intent of Principle 2 of the Code. As at the date of this report, the Board comprises seven (7) Non-Executive Directors who make up the majority of the Board as well as one (1) Executive Director.

# Corporate Governance Report

## Chairman and Chief Executive Officer

*Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

- (i) Mr Guo is currently the Non-Executive Chairman of the Board while Mr Ma Ming (“**Mr Ma**”) is the Chief Executive Officer (“**CEO**”). There is a clear division of roles and responsibilities between the Non-Executive Chairman and the CEO. The Non-Executive Chairman leads and manages the business of the Board whilst the CEO and his team of management staff translate the Board’s decisions into executive action. The segregation of the roles and responsibilities of the Chairman and the CEO ensures an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.
- (ii) The responsibilities of the Chairman include:
- mobilising the Board to formulate the development strategy, set out the development aims and approve the aims;
  - leading the Board to ensure the effectiveness of its role in all respects;
  - scheduling of meetings to enable the Board to perform its duties responsibly while not interfering with the flow of the Group’s operations;
  - preparing meeting agenda in consultation with other Directors;
  - promoting culture of openness and debate on the Board;
  - ensuring that the Directors receive complete, adequate and timely information;
  - encouraging constructive relations within the Board;
  - assisting in ensuring the Group’s compliance with the Code and promoting high standards of corporate governance;
  - overseeing effective communication with shareholders; and
  - ensuring that Board meetings are held when necessary.

The CEO is primarily responsible for overseeing the Management and strategic operation of the Group as well as assisting in the working of the Board. The responsibilities of the CEO include:

- propelling the implementation of the strategy approved by the Board in order to direct the management team to effectuate the aims approved by the Board;
- developing the Group’s businesses and operational strategies;
- implementing the Board’s decisions;
- assisting in ensuring the Group’s compliance with the Code and promoting high standards of corporate governance;
- assisting in the holding of the Board meetings when necessary; and
- reviewing key proposals by the Management before they are presented to the Board.



# Corporate Governance Report

- (iii) The Company Secretaries may be called upon to assist the Chairman in any of the above matters.
- (iv) In view of the fact that the Non-Executive Chairman is not an Independent Director, the Company has appointed Mr Yang Zheng (“**Mr Yang**”) as the Lead Independent Director. Shareholders of the Company with concerns that could have a material impact on the Group, for which contact through the normal channels with the Non-Executive Chairman, CEO, or Chief Financial Officer (“**CFO**”) has failed to resolve or is inappropriate, are able to contact the Lead Independent Director.
- (v) The Board believes that there is sufficient oversight and standards of accountability to ensure that there is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

## Board Membership

*Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board*

- (i) With the appointment of Ms Pan and Mr Ngoo, followed by the stepping down of Mr Li and Ms Wang (as disclosed in Section 1 of the Corporate Governance Report) and the retirement of Mr Limjoco, the NC will comprise Mr Wang Dao Fu (“**Mr Wang**”), Mr Guo, Mr Mak, Mr Yang, Ms Pan and Mr Ngoo. The chairman of the NC, Mr Wang, is an Independent Director. The Board shall endeavour to fill the vacancy of the Independent Director and announce the appointment in due course.
- (ii) The key terms of reference of the NC are as follows:
  - (a) the NC shall consist of not less than three (3) Directors, a majority of whom shall be Independent Directors;
  - (b) the chairman of the NC shall be appointed by the Board and shall be an Independent Director; and
  - (c) the Board shall appoint a new member of the NC within three (3) months of the date of cessation of a member so that the number of members does not fall below three (3) if a member, for any reason, ceases to be a member.
- (iii) The NC performs the following functions in accordance with its terms of reference:
  - (a) carrying out annual reviews of the effectiveness of the Board and each individual Director;
  - (b) reviewing and making recommendations to the Board on all candidates nominated for appointment to the Board, having regard to their background, potential contribution to the Group based on their experience and expertise, and ability to exercise independent business judgement;
  - (c) reviewing all candidates nominated for appointment as senior staff of the Management;
  - (d) reviewing and recommending to the Board, the Board structure, size and composition, taking into account the balance between Executive and Non-Executive, Independent and Non-Independent Directors and having regard at all times to the Listing Rules, principles of corporate governance and the Code;
  - (e) identifying and making recommendations to the Board as to the Directors who are to retire by rotation and to be put forward for re-election at each AGM of the Company, having regard to the Directors’ contribution and performance;
  - (f) assessing the independence of the Directors (taking into account the circumstances set out in the Listing Rules, the Code and other salient factors); and
  - (g) proposing a set of objective performance criteria to the Board for approval and implementation, and to evaluate the effectiveness of the Board, its Board Committees and Directors as a whole and the contribution of each Director to the effectiveness of the Board, its Board Committees and Directors.

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- (iv) Pursuant to the Company's Bye-Laws and the Listing Rules, all Directors are required to submit themselves for re-nomination and re-election at least once every three (3) years.
- (v) The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his or her other listed company board directorships and other principal commitments. Therefore, the Board has passed a resolution to remove the maximum number of listed company board representations that any of its directors may hold.
- (vi) In the event that the Board decides to appoint new Directors, the NC will conduct an assessment to review the candidate's qualifications, attributes and past experience followed by interviewing short-listed candidates. The NC will also consider the proposed candidate's independence, expertise, background and skill sets before the NC makes its recommendations to the Board.
- (vii) Save for their directorships in the Company, none of the Independent Directors have any relationships with the Company and/or its related corporations, the Company's substantial shareholders, or the Company's officers.
- (viii) The NC meets at least once a year and at other times as required.
- (ix) Succession planning is an important part of the governance process. The NC makes recommendations to the Board on matters relating to the review of succession plans for Directors and will seek to refresh the Board membership progressively and in an orderly manner.

With regard to the succession planning for the Board, the NC aims to maintain an optimal Board composition by considering the Company's strategic priorities and the factors and trends affecting the long-term success of the Company, reviewing the skills needed on the Board, and identifying the gaps (which includes considering whether there is an appropriate level of diversity of thought) on the then existing Board.

The listed company directorships and principal commitments\* of the Directors are set out in the table below:

NAME OF DIRECTORS	LISTED COMPANY DIRECTORSHIPS	PRINCIPAL COMMITMENTS*
<b>Executive Directors</b>		
Mr Ma Ming	Sunpower Group Ltd. –	Executive Director, CEO Deputy Chairman of Sunpower Technology (Jiangsu) Group Co., Ltd
<b>Independent Directors</b>		
Mr Yang Zheng	Sunpower Group Ltd.  Meig Smart Technology Co., Ltd. SVG Tech Group Co., Ltd. –	Lead Independent Director, member of AC, NC and IC Independent Director Non-Independent Director President of Shenzhen Rihao Financial Intelligence Research Institute
Mr Wang Dao Fu	Sunpower Group Ltd.  Matex International Limited –	Independent Director, NC Chairman and member of RC and IC Independent Director Founding Partner of Yuan Tai Law Offices
Mr Mak Yen-Chen Andrew	Sunpower Group Ltd.  H2G Green Limited – –	Independent Director, RC Chairman, member of AC, NC and IC Non-executive Chairman, Independent Director Consultant, Fortis Law Corporation Director of The Singapore Lyric Opera Limited

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NAME OF DIRECTORS	LISTED COMPANY DIRECTORSHIPS	PRINCIPAL COMMITMENTS*
Mr Limjoco Ross Yu	Sunpower Group Ltd. Ouhua Energy Holdings Limited – – – – –	Independent Director, AC Chairman, member of NC, RC and IC Independent and Non-Executive Director Founder and Managing Partner of Anchorage Assurance Founder and Managing Director of Anchorage Consulting Private Limited Managing Director of Valuation Advisory Pte Ltd. Managing Director of Beacon Management Advisory Private Limited Founder and Chairman of Kim & Limjoco Associates
<b>Non-Executive, Non-Independent Directors</b>		
Mr Guo Hong Xin	Sunpower Group Ltd. – –	Non-Executive Chairman and NC member Chairman of Sunpower Technology (Jiangsu) Co., Ltd. Executive Director of Nanjing Fuyou Investment Co., Ltd.
Ms Pan Shuhong <sup>(1)</sup>	Sunpower Group Ltd. –	Non-Executive and Non-Independent Director, member of NC and RC CEO of Yarra Food Pte. Ltd.
Mr Ngoo Lin Fong <sup>(1)</sup>	Sunpower Group Ltd. Leader Environmental Technologies Ltd.	Non-Executive and Non-Independent Director, member of NC and RC Executive Chairman
Ms Wang Guannan <sup>(2)</sup>	Sunpower Group Ltd. –	Non-Executive and Non-Independent Director, member of NC and RC Executive Director of DCP Capital
Mr Li Lei <sup>(3)</sup>	Sunpower Group Ltd. – –	Non-Executive and Non-Independent Director, member of NC and RC Managing Director of CDH Investments Management (Hong Kong) Limited (“ <b>CDH Investments</b> ”) Mr Li is the managing director of CDH Investments and according to the internal arrangement of CDH Investments, Mr Li is the rotating director and he has served as director of another 23 companies in which CDH Investments has invested. However, Mr Li is not involved in, nor does he make any decisions relating to, any operational matters in these companies.

\* The term “**principal commitments**” includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

(1) Please refer to the sixth paragraph of Section 1 of the Corporate Governance Report.

(2) According to the information available as at 4 April 2025, Ms Wang Guannan will step down as a Director and cease to be a member of the NC and the RC in April 2025, subsequent to the full redemption of the Existing Bonds but prior to the AGM on 29 April 2025. The Company will provide further disclosures in connection with the resignation of Ms Wang Guannan in due course via SGXNet.

(3) According to the information available as at 4 April 2025, Mr Li Lei will step down as a Director and cease to be a member of the NC and the RC in April 2025, subsequent to the full redemption of the Existing Bonds but prior to the AGM on 29 April 2025. The Company will provide further disclosures in connection with the resignation of Mr Li Lei in due course via SGXNet.



# Corporate Governance Report

## Board Performance

*Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

- (i) The Board has established a formal assessment process which will be carried out annually for evaluation of the performance of the Board as a whole and the contribution by individual Directors to the effectiveness of the Board. Such performance criteria include:
- attendance at Board meetings;
  - level of participation at Board meetings and overall commitment;
  - ability to strategise and propose sound business direction; and
  - contribution of specialised knowledge.
- (ii) The appraisal process requires the Directors to complete appraisal forms which will be collated by the external facilitator, Dentons Rodyk & Davidson LLP, which will compile the results of the appraisal for review by the NC. The NC will thereafter report to the Board. Such an appraisal process was carried out in respect of FY2024.

Dentons Rodyk & Davidson LLP is also the Company's Singapore corporate secretarial service provider and Ms Marian Ho, a Senior Partner of Dentons Rodyk & Davidson LLP, serves as Company Secretary of the Company.

## 3. REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

*Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

- (i) With the appointment of Ms Pan and Mr Ngoo, followed by the stepping down of Mr Li and Ms Wang (as disclosed in Section 1 of the Corporate Governance Report) and the retirement of Mr Limjoco, the RC will comprise Mr Mak, Mr Wang, Ms Pan and Mr Ngoo. The chairman of the RC is Mr Mak, an Independent Director. The Board shall endeavour to fill the vacancy of the Independent Director and announce the appointment in due course.
- (ii) The key terms of reference of the RC are as follows:
- (a) The RC shall consist of not less than three (3) Directors, a majority of whom shall be Independent Directors. At least one (1) member should be knowledgeable in executive compensation, and if there is a need, expert advice may be obtained internally or externally.
  - (b) The chairman of the RC shall be appointed by the Board and shall be an independent Director.
  - (c) The Board shall appoint a new member of the RC within three (3) months of the date of cessation of a member so that the number of members does not fall below three (3) if a member, for any reason, ceases to be a member.
- (iii) The duties and responsibilities of the RC include ensuring that there is a formal, transparent and objective procedure for fixing the remuneration packages of the Directors and key executives. Such level of remuneration should serve to attract, retain and motivate the Directors and key executives needed to manage the Company successfully. A proportion of such remuneration should be linked to performance of the Company as well as the individual concerned.

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- (iv) The RC performs the following functions in accordance with its terms of reference:
- (a) reviewing and recommending to the Board a framework of remuneration for the Board and the key executives of the Group covering all aspects of remuneration such as Director's fees, salaries, allowances, bonuses, options and benefits-in-kind;
  - (b) proposing to the Board, appropriate and meaningful measures for assessing the Directors' and key executives' performance;
  - (c) reviewing and recommending the specific remuneration package to the Board for each Executive Director and the key executives;
  - (d) considering the eligibility of directors, executives and employees for benefits under long-term incentive schemes;
  - (e) considering and recommending to the Board the disclosure of details of the Company's remuneration policy; and
  - (f) exercising oversight of the Company's internal control framework relating to the administration of any share option schemes and making recommendations to the Board in respect of any possible improvements to such schemes.
- (v) Each member of the RC shall abstain from voting on any resolution concerning his or her own remuneration.
- (vi) The RC shall review the Company's obligations arising in the event of the termination of the contract of service of any Executive Director or key management personnel, to ensure that such contracts of service contain fair and reasonable termination clauses.
- (vii) The RC meets at least once a year and at other times as required.
- (viii) The RC may from time to time, and where necessary or required, seek professional advice internally and/or externally pertaining to remuneration of all Directors.

*Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.*

- (i) None of the Independent Directors has service agreements with the Company. Each Independent Director is paid a director's fee which is determined by the Board based on the effort and time spent as well as responsibilities as member of the AC, NC and RC. The fees are subject to approval by the shareholders at each AGM. Except as disclosed, the Independent Directors do not receive any remuneration from the Company.
- (ii) According to the service agreement of the Executive Director:
- the service agreement is valid for an initial period of three (3) years which commenced from 1 January 2008 and shall be renewed automatically annually thereafter. The terms of the service agreement may be amended from time to time as agreed between the Executive Director and the Company, taking into account the prevailing developments and circumstances in relation to the employment of the Executive Director with the Company;
  - the remuneration of the Executive Director includes a fixed salary and a variable performance related bonus which is designed to align their interests with those of the shareholders; and
  - the service agreement may be terminated by either the Company or the relevant Executive Director giving not less than six (6) months' notice in writing.

# Corporate Governance Report

## Directors' Fees

The proposed fees for Non-Executive Directors to compensate their time and effort comprise a basic retainer fee and additional fees for appointment to Board Committees and involvement in ad hoc projects. The Board believes that the fees for Non-Executive Directors are commensurate with their respective levels of contribution, taking into account factors such as effort, time spent, and responsibilities.

No Director decides on his own fees. Directors' fees are recommended by the RC and are submitted for endorsement by the Board. Directors' fees are subject to the approval of shareholders at the AGM.

Currently, Directors' fees for each financial year are paid in arrears, in the following financial year, after obtaining shareholders' approval at the AGM.

The remuneration framework and structure are set out in the section on "Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation".

As reflected in the table set out in the section on "Disclosure on Directors' and Key Executives' Remuneration", 56.6% of the Executive Director's remuneration is made up of variable or performance related income/ bonuses. The Board is of the view that this makes up a significant and appropriate portion of the Executive Director's remuneration, and that the Executive Director's performance related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

## Remuneration of Key Executives

The remuneration framework and structure are set out in the section on "Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation". The proportion of the key executives' remuneration linked to performance is set out in the table in the section on "Disclosure on Directors' and Key Executives' remuneration". The Company continually improves and strengthens its internal management to ensure that the remuneration packages are always appropriate and accompanied by competitive compensation and progressive policies with suitable and attractive incentives. While the proportion varies between the key executives, the Board is of the view that in each case, performance related remuneration makes up a significant and appropriate proportion of the key executives' remuneration, and is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

*Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation*

- (i) The Company has a staff remuneration policy which comprises a fixed component and a variable component. The fixed and variable components are in the form of a base salary and variable bonus that is linked to the performance of the Company and the individuals.
- (ii) Our remuneration framework is made up of three (3) key components:
  - Base/fixed salary
  - Variable or performance related income/bonuses
  - Other benefits

### Base/fixed salary

Fixed pay comprises a base salary.

### Variable or performance related income/bonuses

Variable bonus payouts are based on actual achievement measured against corporate, business unit and individual performance objectives.



# Corporate Governance Report

## Other benefits

Social insurance fund comprising Housing Fund, Social Security Scheme and other allowances. The Social Security Scheme mainly comprises insurance for retirement pension, unemployment compensation, medical, work-related injuries, and maternity, while other allowances include car allowance.

- (iii) A breakdown, showing the level and mix of each individual Director's and key executive's remuneration in FY2024 is reflected in the section below on "Disclosure on Directors' and Key Executives' Remuneration".

## **Disclosure on Directors' and Key Executives' Remuneration**

According to 1207(10D) of the SGX Listing Rules, the Issuer is required to disclose in the Annual Report for the financial year ended on or after 31 December 2024 the names, amounts and breakdown of remuneration paid to each individual director and the chief executive officer by the issuer and its subsidiaries. Such breakdown must include (in percentage terms) base or fixed salary, variable or performance-related income or bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. The Company has complied with this requirement and disclosed the information in the table below.

The variable or performance related income/bonus is to recognise the efforts, contributions and performance of the Executive Director and key executives, whether as a whole and/or on an individual basis, in particular where such efforts and contributions and/or performance may not be directly or immediately reflected in or attributable to the financial performance of the Company and the Group.

The level and mix of each Director's and key executive's remuneration in FY2024 are as follows:

REMUNERATION BAND & NAME OF DIRECTOR	REMUNERATION S\$ <sup>(1)</sup>	BASE/ FIXED SALARY %	VARIABLE OR PERFORMANCE RELATED INCOME/ BONUSES %	DIRECTOR'S FEES %	OTHER BENEFITS <sup>(2)</sup> %	TOTAL %
<u>Executive Director and CEO</u>						
Mr Ma Ming	3,416,039	42.8%	56.6%	–	0.6%	100%
<u>Non-Executive, Non-Independent Directors</u>						
Mr Guo Hong Xin	335,520	–	–	100%	–	100%
Mr Li Lei	–	–	–	–	–	–
Ms Wang Guannan	–	–	–	–	–	–
<u>Independent Directors</u>						
Mr Yang Zheng	115,357	–	–	100%	–	100%
Mr Wang Daofu	120,912	–	–	100%	–	100%
Mr Mak Yen-Chen Andrew <sup>(3)</sup>	75,788	–	–	100%	–	100%
Mr Limjoco Ross Yu <sup>(3)</sup>	83,511	–	–	100%	–	100%

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REMUNERATION BAND & NAME OF KEY EXECUTIVES	BASE/ FIXED SALARY %	VARIABLE OR PERFORMANCE RELATED INCOME/ BONUSES %	DIRECTOR'S FEES %	OTHER BENEFITS <sup>(2)</sup> %	TOTAL %
Between S\$100,000 to S\$220,000					
Ms Wang Hui	43.4%	51.3%	–	5.3%	100%
Mr Xu Jun	58.5%	29.3%	–	12.2%	100%
Mr Wang Ning	51.8%	43.1%	–	5.1%	100%
Mr Shi Shaolin	45.7%	46.1%	–	8.2%	100%
Between S\$220,000 to S\$450,000					
Mr Tang Hao	39.9%	58.4%	–	1.7%	100%
Mr Sha Jianhua	45.0%	52.4%	–	2.6%	100%

Notes:

- (1) Based on the exchange rate between RMB and SGD as at 31 December 2024 which was RMB5.3648 to SGD1.00.
- (2) Other benefits include contributions to the Housing Fund, Social Security Scheme and other allowances.
- (3) Mr Mak Yen-Chen Andrew and Mr Limjoco Ross Yu were appointed as Directors on 13 May 2024.

Above are the Group's key executives in FY2024. The total remuneration paid to the above key executives (who are not Directors or the CEO) of the Company in FY2024 is RMB7.08 million.

Save as disclosed above, the Company does not have any employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during FY2024.

- (iv) The Sunpower Employee Share Option Scheme 2015 ("**2015 ESOS**") was approved and adopted by the shareholders of the Company at a special general meeting held on 29 April 2015<sup>2</sup>. The implementation of 2015 ESOS aligned the interests of its shareholders with the Company.

On 19 May 2015, the Company announced it has granted a total of 59,220,000 share options (the "**Initial Grant**"). Of the 59,220,000 share options granted pursuant to the Initial Grant, 5,922,000 share options were granted to Mr Guo, Executive Director (currently Non-Executive Director and Non-Executive Chairman) and controlling shareholder of the Company at the time of the grant; 8,968,000 share options to Mr Ma, Executive Director (currently Executive Director and CEO) and controlling shareholder of the Company at the time of the grant; and 44,330,000 share options to the employees of the Group.

An aggregate of 3,710,000 share options from the Initial Grant has lapsed from 2016 to 2020. Subsequently, the Company granted a total of 3,710,000 share options, a number that is equivalent to the lapsed options, comprising 210,000, 1,420,000, 1,080,000 and 1,000,000 share options granted respectively on 20 July 2016, 11 May 2018, 31 January 2019 and 20 March 2020, to the employees of the Group. No options were granted or lapsed during the financial year ended 31 December 2024. As at 31 December 2024, an aggregate of 58,029,000 ordinary shares were issued and allotted pursuant to the exercise of options under 2015 ESOS.

According to the Company's circular to shareholders dated 6 April 2015, the 2015 ESOS shall continue in force at the discretion of the Remuneration Committee, subject to a maximum period of ten (10) years commencing on the date the 2015 ESOS is adopted by Shareholders in general meeting.

While the validity period of options granted under 2015 ESOS to a Group Employee (including an Executive Director) shall expire no later than the tenth (10th) anniversary of the Date of Grant of that option. Any option which is not exercised before the end of the relevant option period (depending on its date of grant) shall immediately lapse and become null and void.

2 Further information relating to 2015 ESOS can be found in the circular issued to the Company's shareholders dated 6 April 2015.

# Corporate Governance Report

## 4. ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

*Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders*

- (i) The Group has put in place a system of risk management and internal controls to respond to financial, operational, compliance and information technology risks that are significant to the achievement of the Group's business objectives.
- (ii) The Board reviews the adequacy and effectiveness of the Group's risk management and internal controls, including operational controls and is responsible for the overall internal control framework annually. The Board acknowledges that no cost-effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.
- (iii) The Board has obtained a written confirmation from the CEO and the CFO that:
  - (a) the financial records of the Group have been properly maintained and the financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) to give a true and fair view of the Group's operations and financial position as at reporting date and its performance for the financial year then ended; and
  - (b) the risk management and internal control systems that are in place in the Group are adequate and effective to address the key risks in the Group.
- (iv) Based on the confirmation from the CEO and CFO as described above, review of the findings from the auditors on the Group's internal controls and the Management's responses to the auditors' recommendation for improvements to the Group's internal controls, review of minutes of the RMC including any significant matters reported to the AC by the risk management team and discussions with the auditors and Management, the Board with the concurrence of the AC, is of the opinion that the internal controls are adequate and effective to address key financial, operational, and compliance risks as at 31 December 2024. Additionally, the Board is satisfied that the risk management system that it has put in place together with the abovementioned internal controls are adequate and effective to address the key risks of the Group including information technology risk.

To strengthen its risk management processes and framework, the RMC was formed in 2011. As at the date of this report, the members of the RMC comprise Mr Ma, Executive Director and Chief Executive Officer; Mr Yang, Lead Independent Director; Mr Tang Hao, Group Vice President; Ms Wang Hui, the Chief Financial Officer; and Ms Li Qingshuang, Group Assistant Vice President and the head of the Internal Control Department. The RMC shall meet no less than two (2) times a year and at other times as required.

- (v) The RMC performs the following key functions in accordance with its terms of reference:
  - (a) evaluate and provide advice on the business risks (strategic, financial, operational and compliance with laws and regulations);
  - (b) study and identify internal controls and risk management strategies to manage the identified risks;
  - (c) design and implement new controls and strategies to address identified business risks;
  - (d) study and analyse material investments, financing and other operational management activities, and advise the Board; and
  - (e) any other functions as authorised by the Board.



# Corporate Governance Report

The RMC is currently supported by the head of the Internal Control Department. Ms Zhang Ying, who is a lawyer and the risk management secretary of the RMC. Based on the internal controls and risk management framework established, the team is responsible for supporting the RMC which includes the regular monitoring of risks and updating of the risk register as appropriate. It also carries out checking of operational and business areas as directed by Management ensuring that the Company has a comprehensive and sound risk management system that is operating as prescribed. Findings noted by them will be reported to the Management with any significant matters reported to the AC.

## Audit Committee

*Principle 10: The Board has an AC which discharges its duties objectively.*

- (i) The AC comprises three (3) Independent Non-Executive Directors, namely, Mr Limjoco, Mr Mak and Mr Yang.

The Chairman of the AC, Mr Limjoco, is, by profession, a Fellow Chartered Accountant of Singapore, Certified Public Accountant in Philippines, Certified Fraud Examiner and Chartered Valuer and Appraiser, and work in the accounting profession for approximately 32 years, of which he practised as a Singapore public accountant for 28 years. He is currently the Founder and Managing Director of Anchorage Consulting Pte Ltd and Founder and Managing Partner of Anchorage Assurance, a firm of chartered accountants in Singapore. The other members of the AC have many years of experience in business, financial management, law and corporate governance. The Board is of the view that the members of the AC have sufficient financial management expertise and experience to discharge the function of the AC.

With the retirement of Mr Limjoco, the Board shall endeavour to fill the vacancy and announce the appointment in due course.

- (ii) The key terms of reference of the AC include the following:

- (a) the AC shall consist of not less than three (3) Directors appointed by the Board, all of whom shall be Non-Executive Directors with the majority being Independent Directors. At least two (2) members of the AC shall have accounting or related financial management expertise or experience and its membership, details of its activities, number of meetings and attendance at such meetings, shall be disclosed annually; and
- (b) the Board shall appoint a new member within three (3) months of cessation so that the number of members does not fall below three (3).

- (iii) The AC performs, *inter alia*, the following key functions:

- (a) reviewing with internal and external auditors their audit plans, their evaluation of the system of internal controls and the reports on their findings including recommendations for improvement;
- (b) reviewing and reporting to the Board at least annually, the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls which are carried out internally and/or with the assistance of professional service firms;
- (c) reviewing the Group's financial results and the announcements, and annual consolidated financial statements of the Company and its subsidiaries as well as the statement of financial position and statement of changes in equity of the Company before submission to the Board for approval;
- (d) reviewing the adequacy, effectiveness, scope and results of the external audit and the independence and objectivity of the external auditors;
- (e) reviewing significant findings of internal investigations, if any;
- (f) recommending to the Board the appointment or re-appointment of the external auditors and approving the remuneration and terms of engagement of the external auditors;
- (g) reviewing interested person transactions; and
- (h) any other functions as required by law or the Code.

# Corporate Governance Report

- (iv) The AC is authorised to investigate any matters in its terms of reference and has full access to the co-operation of the Management. The AC has full discretion to invite any Director or executive officer to attend its meetings, as well as access to reasonable resources to enable it to discharge its function properly.
- (v) The AC meets with the external auditors and internal auditors without the presence of the Management annually. The AC also meets with the external auditors to discuss matters relating to internal accounting controls as well as the results of their audit of the Group.
- (vi) The AC reviews, *inter alia*, the independence and objectivity of the external auditors annually, taking into consideration the nature and extent of any non-audit services provided to the Company by the external auditors. The AC seeks to maintain objectivity by reviewing all non-audit services provided by the external auditors to the Group and is satisfied that the nature and extent of such services would not affect the independence of the external auditors.
- (vii) The Group has complied with Rule 712, Rule 715 and Rule 716 of the Listing Rules in relation to its auditors.
- (viii) The AC reads technical newsletters as appropriate and receives updates from the auditors during AC meetings, so as to keep abreast of changes in accounting standards and issues.
- (ix) No former partner or director of the Company's existing auditing firm or audit corporation is a member of the AC.

## Whistle-blowing Policy

The Board undertakes to investigate complaints of suspected fraud in an objective manner and has put in place a whistle-blowing policy and procedures which provide employees with well-defined and accessible channels (such as email address and telephone contact) within the Group, including a direct channel to the AC, for reporting suspected fraud, corruption, dishonest practices or other similar matters.

The Company has a well-defined process which ensures independent investigation of issues/concerns raised including appropriate follow-up action, and provides assurance that whistle-blowers will be protected from reprisal and detrimental or unfair treatment for whistle-blowing in good faith. The Company will treat all information received confidentially and protect the identity of all whistle-blowers. Reports can be lodged by calling the hotline at (86) 025-52798691 or *via* email at sunpower12345@163.com. The AC reviews and considers whistle-blowing complaints at its quarterly meetings to ensure independent, thorough investigation and appropriate follow-up actions. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board can have access to the appropriate external advice where necessary. The AC is responsible for the overall oversight and monitoring of the whistle-blowing policy and its implementation.

## The AC Commentary on Key Audit Matters

The AC noted the key audit matters ("KAMs") set out in the independent auditor's report. These KAMs relate to matters that in the auditor's professional judgement represent the most significance in the audit of the financial statements of the Group for FY2024. These matters are considered most significant by the auditor largely because the amount is material and there is a high level of judgement and estimate involved particularly in the recognition of revenue, cost and intangible assets during construction phase of GI projects based on percentage of completion and repayment of the convertible bonds. They are therefore subject to greater emphasis and scrutiny in the audit and was selected by the auditor for communication with the AC.

The AC has discussed and reviewed the KAMs with the auditor and the Management and has provided its comments below.

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## KAMs INVOLVING SIGNIFICANT JUDGEMENTS AND ESTIMATES BY MANAGEMENT

## MATTERS CONSIDERED BY AC

## CONCLUSION BY AC

1	<p><b>Revenue, cost and intangible assets arising from Build-Operate-Transfer (“BOT”) projects</b> (Refer to Notes 3.2(a), 16 and 27 to the financial statements)</p>	<p>The Group has BOT projects which involve expenditure of costs during the construction phase to be recovered from operating the facilities and selling steam and electricity in future.</p> <p>The Group recognises revenue in accordance with SFRS(I) 15 <i>Revenue from Contracts with Customers</i>, namely revenue is recognised when (or as) the performance obligations are satisfied. Intangible assets arising from costs incurred during the construction phase which are projected to be recoverable during the operating period are recognised in accordance with SFRS(I) INT 12 <i>Service Concession Arrangements</i>.</p> <p>The AC discussed with the Management and the auditor on the significant judgement and estimate made in relation to:</p> <ul style="list-style-type: none"> <li>(i) Projection of total revenue which can be billed to end users during the operating period;</li> <li>(ii) Evaluation of estimated profit margins for each of the construction and operating phases;</li> <li>(iii) Allocation of revenue between the construction and service elements of the project; and</li> <li>(iv) Recoverable amount of intangible assets which represent cost recoverable from future operations.</li> </ul>	<p>AC is satisfied that the intangible asset and revenue recognised for BOT projects during the construction phase are in accordance with the guidance set out in SFRS(I) INT 12 - <i>Service Concession Arrangements</i> and SFRS(I) 15 <i>Revenue from Contracts with Customers</i>.</p>
2	<p><b>Going concern</b> (Refer to Notes 3.1 to the financial statements)</p>	<p>The Group’s current liabilities exceeded current assets by RMB 823,570,000 as at December 31, 2024. The net current liability position is mainly due to convertible bonds of RMB 1 billion maturing on April 3, 2025. Had the convertible bonds remained in non-current, the Group’s current assets would have exceeded its current liabilities by RMB 256,741,000.</p>	<p>Based on the Group’s CBs repayment plan and cash flow forecast, the AC is of the view that there is no material uncertainty regarding the Group’s ability to continue as a going concern.</p> <p>Management’s critical judgements underlying the going concern basis are set out in Note 3.1 to the financial statements.</p>



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## Internal Audit

- (i) The Company engaged an external professional service firm, CLA Global TS Risk Advisory Pte Ltd (“**CLA Global TS**”), to perform internal audit review and test of controls of critical processes, based on the internal audit plan which is approved by the AC before the commencement of work each year.
- (ii) CLA Global TS has unfettered access to all the Group’s documents, records, properties and personnel, and have unrestricted access to the AC.
- (iii) The AC reviewed the scope of internal audit work and the key audit procedures, including any findings from each review and the Management’s responses thereto; and ensured the adequacy of the internal audit function annually. The internal audit work carried out by CLA Global TS is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) which is laid down in the International Professional Practices Framework issued by the IIA.

The internal audit is planned independently in consultation with the AC. The AC oversees the activities and work performed by the internal auditors and ensures that the internal audit plans are aligned with the Group’s risk management programme. This is intended to assure that effective and efficient controls are in place to manage the risks in the Group.

The Company and AC are satisfied that the internal audit function is carried out independently and effectively, and is adequately resourced.

## Independent Committee

- (i) To strengthen its internal controls that safeguard the interests of the Company and its shareholders, the IC was formed in 2021 to review and approve the IPTs in accordance with the Group’s IPT review and approval procedures following the disposal of the M&S business. The IC shall review all IPTs at least on a quarterly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined in its terms of reference.
- (ii) The IC consists of the members of the AC and Mr Wang, an Independent Non-Executive Director.
- (iii) The key terms of reference of the IC include the following:
  - (a) The IC shall consist of the members of the AC and such other member as may be appointed from the Board from time to time, all of whom shall be Non-Executive Directors with the majority being Independent Non-Executive Directors. At least two (2) members of the IC shall have accounting or related financial management expertise or experience.
  - (b) The Board shall appoint a new member within three (3) months of cessation so that the number of members does not fall below four (4).
- (iv) The IC performs, *inter alia*, the following key functions in accordance with its terms of reference and in compliance with the Group’s IPT review and approval procedures and the Listing Rules:
  - (a) review and approve IPTs in relation to the entry into engineering, procurement and construction (“**EPC**”) contracts that relate to the provision of EPC contracting services according to the characteristics of the GI projects or the requirements of the owners (“**EPC Contracts**”) with the Interested Persons. EPC Contracts include different contracting services such as EPC general contracting, EP general contracting, PC general contracting or P procurement based on the different stages of the GI projects. The EPC Contracts may involve services such as technical renovation of the steam production process systems and the plants, maintenance and repair or capacity expansion of the GI projects in operation. The general contractors shall perform the general contracting for the whole process or some stages such as design, procurement and construction, and shall be fully responsible for the quality, safety, duration and cost of the GI projects. Procurement refers to an enterprise business activity to obtain products or services under certain conditions from the supply market as resources to ensure its normal production and business activities, and to collect and procure equipment and materials needed for various projects. The Group may procure equipment and materials such as pressure vessels, heat exchangers, etc. to meet the production requirements of GI projects in operation. Such review and approval by the IC will be undertaken following the review and approval of the Chief Financial Officer of the

# Corporate Governance Report

Group (“**Group CFO**”) and the General Manager (“**GM**”) of Jiangsu Sunpower Clean Energy Co., Ltd. (江苏中圣清洁能源有限公司) and upon the relevant transaction value thresholds being met;

- (b) review and approve IPTs in relation to the lease of office buildings and/or facilities from the Interested Persons, following the review and approval of the Group CFO and the Head of Internal Control of the Group;
- (c) review and approve IPTs in relation to contracts that relate to the provision of design and consulting services for the technical transformation, optimisation, upgrading and expansion of certain of the Group’s operating facilities to improve safety and stability, implement energy-saving measures and reduce consumption at the operational facilities (“**Occasional Design Consulting Services Contracts**”), following the review and approval of the Group CFO and the GM of Jiangsu Sunpower Clean Energy Co., Ltd. (江苏中圣清洁能源有限公司) and upon the relevant transaction value thresholds being met;
- (d) review all IPTs at least on a quarterly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined in the Group’s IPT review and approval procedures. All relevant non-quantitative factors will also be taken into account. In addition, the IC shall from time to time look into the aggregate value of IPT contracts signed with Sunpower Technology (Jiangsu) Group Co., Ltd. (中圣科技 (江苏) 集团有限公司) and its subsidiaries (the “**M&S Group**”) on whether it has reached 3.0% of the Group’s market capitalisation as at the previous financial year end; and
- (e) review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that transactions between the Group and the Interested Persons are conducted at arm’s length and on normal commercial terms.

## Interested Person Transactions

(Rule 907 of the Listing Rules)

The Group expanded into the GI business in 2015 and obtained the first tranche of investments of US\$110 million and the second tranche of investments of US\$70million (of which US\$20 million was drawn down) in Convertible Bonds (“**CB**”) in 2017 and 2018, respectively. The volume of IPTs that the Group was engaged in was high in prior years (following the M&S business disposal) because the rapid growth of the Group’s investments in GI projects and their construction, with the CB Performance Target that was applicable then, led to a high number of transactions with the M&S group of entities which were previously subsidiaries of the Group prior to their disposal in 2021.

Having reached the critical scale of a total of 11 projects in operation, the Group has now completed the rapid expansion phase, and future capital expenditure plans will focus on the enhancement and maintenance of existing projects, as opposed to constructing new projects in the past. Accordingly, this is expected to much lower the amount of IPTs to a level where it is not expected to exceed the relevant IPT thresholds that will require shareholders’ approval. Following a thorough assessment of the value of IPTs the Group will be engaged in, it was concluded that the value of the prospective IPTs in the coming years will be lower than before. After carefully considering all the relevant factors, the Company did not renew the general mandate from shareholders for IPTs after 28 April 2023.

The Group has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC or the IC (as the case may be, depending on whether the IPTs are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders).

As Mr Guo and Mr Ma are both interested persons, any transaction by the Company or any of its subsidiaries with Mr Guo, Mr Ma or any of their respective associates (“**Interested Persons**”) will be regarded as an IPT under Chapter 9 of the Listing Rules following the disposal of the M&S business which was completed on 30 April 2021.

To ensure that transactions with Interested Persons are undertaken at (a) arm’s length and on normal commercial terms consistent with the Group’s usual business practices and on terms which are not more favourable than those extended to unrelated third parties; or (b) in any event, on terms no less favourable to the Group than prevailing open market rates, and will not be prejudicial to the interests of the Group and its minority shareholders, the Group adopted the following procedures for the review and approval of IPTs.

# Corporate Governance Report

- (a) The following procedures have been adopted in relation to the entry into EPC Contracts with Interested Persons:

EPC Contracts relate to the provision of EPC contracting services according to the characteristics of the GI projects or the requirements of the owners. EPC Contracts include different contracting services such as EPC general contracting, EP general contracting, PC general contracting or P procurement based on the different stages of the GI projects.

The EPC Contracts include but not limited to services such as technical renovation, maintenance and repair or capacity expansion of production process systems and the plants of the GI projects in operation, or provision of construction, revamp, or expansion services for the steam pipelines of the GI projects. The general contractors shall perform the general contracting for the whole process or some stages such as design, procurement and construction, and shall be fully responsible for the quality, safety, duration and cost of the projects.

- (i) The entry into EPC Contracts will be determined by way of a tender process, whereby the Company will obtain quotations from no less than three (3) bidders, with at least two (2) unrelated third parties. In general, the Group will only enter into contracts for the purchase of products or the provision of services under the EPC Contract from the Interested Persons upon satisfactory review and approval by the relevant persons as set out in paragraphs (a)(iii) and (iv) that the rates or prices from the Interested Persons are not higher than the most competitive quote provided by other third party bidders for manufacturing and services products of similar specifications or for comparable services, after obtaining competing quotes from at least two (2) unrelated third party bidders, and taking into account factors such as the technologies and technical specifications, scope of services and track record, warranty period, experience and expertise and any other relevant factors.
- (ii) In the event that such competing quotes from unrelated third party bidders cannot be obtained through the tender process (for instance, if there are no unrelated third party suppliers of similar products or services, or if the product is a proprietary item), the Group will obtain two (2) recent contracts (wherever possible or available) entered into between the Interested Persons and the unrelated third party customers of such Interested Persons for the same or substantially similar products and/or services, prior to the entry into of the contract or transaction with the Interested Persons, as a basis for comparison to determine whether the prices and terms offered by the Interested Persons are fair and reasonable, and comparable to those offered by the Interested Person to their unrelated third party customers. In general, the Group will only enter into the EPC Contract with the Interested Persons upon satisfactory review by the relevant persons as set out in paragraphs (a)(iii) and (iv) on whether the prices and terms offered by the relevant Interested Persons are fair and reasonable and in accordance with the Group's usual business practices and pricing policies or industry norms, with factors such as the technologies and technical specifications, scope of services and track record, warranty period, experience and expertise, historical rates or prices paid by the Group for such products and/or services, credit terms and any other relevant factors taken into account.
- (iii) Each of the EPC Contracts with a value less than RMB5 million shall be subject to review by the Group CFO and the GM of Jiangsu Sunpower Clean Energy Co., Ltd. (江苏中圣清洁能源有限公司), jointly, who must each not have any interest, direct or indirect, in the transaction, in accordance with the review procedures as set out in paragraphs (a)(i) and (ii) above.
- (iv) For each EPC Contract with a value equal to or more than RMB5 million, upon satisfactory review by the Group CFO and the GM of Jiangsu Sunpower Clean Energy Co., Ltd. (江苏中圣清洁能源有限公司), jointly, who must each not have any interest, direct or indirect, in the transaction, the entry into such Transactions will be subject to prior approval by a simple majority of the IC, who must each not have any interest, direct or indirect, in the transaction, in each case in accordance with the review procedures as set out in paragraphs (a)(i) and (ii) above.
- (b) The following procedures have been adopted in relation to the lease of office buildings and/or facilities from Interested Persons:
- (i) The rent payable by the Group to the Interested Persons shall be at an annual rent no higher than the prevailing market rent as supported by an independent report issued by an independent firm with the relevant track record or experience, no more than two (2) months prior to the lease and/or the renewal of the lease, with cost of such report to be borne by the Group. The Company may engage independent firms such as GW Financial Advisory Services Ltd. (盛德财务咨询服务服务有限公司), a Hong Kong-based specialist transaction and valuation advisory



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firm, or other suitably qualified independent professional firm for the purposes of the foregoing. The IC will review and approve such appointment to ensure that the independent firm engaged will be an accredited valuer under prevailing laws and regulations in the PRC, if any.

- (ii) Each lease shall be reviewed by (1) the Group CFO and (2) the Head of Internal Control of the Group, jointly, who must each not have any interest, direct or indirect, in the transaction. Upon satisfactory review by the relevant persons in accordance with the procedures above, the entry into such leases will be subject to prior approval by a simple majority of the IC, who must each not have any interest, direct or indirect, in the transaction.
  - (iii) In general, the Group will only enter into the leases if the relevant persons reviewing the transaction as set out in paragraph (b)(ii) above (who must each have no interest, direct or indirect, in the transaction) are satisfied that the rent payable is in line with or better than prevailing market rental rates for comparable properties, taking into account factors such as the geographical location, facilities and other relevant factors that may affect rental rates or terms of the lease.
- (c) The following procedures have been adopted in relation to the entry into Occasional Design Consulting Services Contracts with Interested Persons:
- (i) The Occasional Design Consulting Services Contracts will be subject to a Framework Agreement between Jiangsu Sunpower Clean Energy Co., Ltd (江苏中圣清洁能源有限公司) and Shandong Yangguang Institute, an Interested Person. The Framework Agreement shall be subject to review by the Group CFO and the GM of Jiangsu Sunpower Clean Energy Co., Ltd. (江苏中圣清洁能源有限公司), jointly (who must each not have any interest, direct or indirect, in the transaction). Upon satisfactory review by the relevant persons in accordance with the procedures as set out in paragraphs (c)(ii) and (iii), the entry into such Framework Agreement will be subject to prior approval by a simple majority of the IC, who must each not have any interest, direct or indirect, in the transaction.
  - (ii) The Framework Agreement shall specify (1) the type of design consulting service to be carried out; (2) the basis of computation for the fees; and (3) the pricing mechanism, which shall be based on the “Engineering Design Fee Standard” (工程设计收费标准) in “[2002] No. 10 Regulations on the Administration of Engineering Investigation and Design Fees” ([2002]10号文《工程勘察设计收费管理规定》) (the “**Regulation**”) originally issued by the State Development Planning Commission of the People’s Republic of China (中华人民共和国国家计划委员会) and the Ministry of Construction of the People’s Republic of China (中华人民共和国建设部), which has been renamed as the Ministry of Housing and Urban-Rural Development of the People’s Republic of China (中华人民共和国住房和城乡建设部).

The Regulation, along with the “Engineering Design Fee Standard” (工程设计收费标准) and the “Engineering Survey Fee Standard” (工程勘察收费标准), are applicable to the engineering design fees and engineering survey fees charged in relation to construction projects within the People’s Republic of China. Engineering design fees refer to the fees charged by the design company for the preparation of preliminary design documents, construction drawing design documents, non-standard equipment design documents, construction drawing budget documents, as-built drawing documents and other services as entrusted to them by the client. If there are any new standards or changes to the “Engineering Design Fee Standard” (工程设计收费标准), the Company will adjust its pricing mechanism accordingly.

- (iii) The entry into the Framework Agreement will be determined by way of a tender process, whereby the Company will obtain quotations from no less than three (3) bidders, with at least two (2) unrelated third-party bidders, all of whom must meet the qualification requirements. The qualitative criteria considered in the bidding process primarily include each bidder’s qualification level, amount of registered capital, financial position, bank credit rating, performance track record and quality system certification documents. The tender will be awarded to the bidder that provides the highest discount to the “Engineering Design Fee Standard” (工程设计收费标准). In general, the Group will only enter into the Framework Agreement with Shandong Yangguang Institute if the Chief Financial Officer of the Group and the General Manager of Jiangsu Sunpower Clean Energy Co., Ltd. (江苏中圣清洁能源有限公司), an entity within the Group (who must each have no interest, direct or indirect in the transaction), are satisfied that the rates or prices and terms offered from Shandong Yangguang Institute are in accordance with the “Engineering Design Fee Standard” (工程设计收费标准) and that its tendered discount is the most attractive among the bids received.

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- (iv) Under the Framework Agreement, each individual Occasional Design Consulting Services Contract with a value of less than RMB1 million, and where the annual cumulative value of such Occasional Design Consulting Services Contracts is less than RMB5 million, shall be subject to review by the Deputy GM of Jiangsu Sunpower Clean Energy Co., Ltd. (江苏中圣清洁能源有限公司), who must not have any interest, direct or indirect, in the transaction. Upon satisfactory review by the Deputy GM of Jiangsu Sunpower Clean Energy Co., Ltd. (江苏中圣清洁能源有限公司) in accordance with the procedures set out above, the entry into such transactions will be subject to prior approval by the Group CFO and the GM of Jiangsu Sunpower Clean Energy Co., Ltd. (江苏中圣清洁能源有限公司), jointly, who must each not have any interest, direct or indirect, in the transaction.
  - (v) Each individual Occasional Design Consulting Services Contract with a value equal to or exceeding RMB1 million, or where the annual cumulative value of such Occasional Design Consulting Services Contracts is equal to or exceeds RMB5 million, shall be subject to review by (1) the Group CFO and (2) the GM of Jiangsu Sunpower Clean Energy Co., Ltd. (江苏中圣清洁能源有限公司), jointly, who must each not have any interest, direct or indirect, in the transaction. Upon satisfactory review by the relevant persons in accordance with the procedures above, the entry into such transactions will be subject to prior approval by a simple majority of the IC, who must each not have any interest, direct or indirect, in the transaction.
- (d) In respect of certain transactions relating to the receipt of meal catering services in staff canteen<sup>3</sup> from Interested Persons, the following two-tiered approval process will be adopted:
- (i) if the cumulative fees are equal to or below RMB1 million, the Board has authorised the management of the Company, specifically the Group CFO, to approve the transactions following the initiation of the process by the relevant Entity at Risk (as defined in the Listing Rules) and subsequent reviews and approvals by administrative and internal control personnel at the Group level; and
  - (ii) if the cumulative fees are above RMB1 million, such transactions will be subject to the review and prior approval by a simple majority of the AC, in addition to the management-level reviews and approvals outlined in (d)(i).
- (e) In the event that a member of the IC has an interest in a transaction with an Interested Person, or is a nominee for the time being of the Interested Person, or if he also serves as an independent non-executive director on the board of directors or (as the case may be) an audit or other board committee of the Interested Person, and he participates in the review and approval process of the IC in relation to a transaction with that Interested Person, or if any associate (as defined in the Listing Rules) of a member of the IC is involved in the decision making process on the part of the Interested Person, he shall abstain from participating in the review and approval process of the IC in relation to that transaction.
- (f) In the event that the Group CFO, the GM and/or the Deputy GM of Jiangsu Sunpower Clean Energy Co., Ltd. (江苏中圣清洁能源有限公司) and/or the Head of Internal Control of the Group has an interest in a transaction with an Interested Person, or is a nominee for the time being of that Interested Person, such person shall abstain from participating in the review and approval process in relation to that transaction and the Company shall, subject to the approval of the IC, recommend another officer of the Group of an equivalent rank (who must not have any interest, direct or indirect, in the transaction) to review and/or approve the transaction (as the case may be).
- (g) In addition to the review procedures set out above, all interested person transactions, including transactions between the Interested Persons and the Group, shall be subject to the relevant provisions of Chapter 9 of the Listing Rules. In particular, if such transactions are of an aggregate value equal to or more than 3.0% of the Group's latest audited net tangible assets ("**NTA**") (or the Company's market capitalisation as at the previous financial year end, until such time as the Group's audited NTA turns positive<sup>4</sup>), such transactions will be announced immediately. If such transactions are of an aggregate value equal to or more than 5.0% of the Group's latest audited NTA (or the Company's market capitalisation as at the previous financial year end, until such time as the Group's audited NTA turns positive), such transactions will be subject to Shareholders' approval before they can be entered into.

<sup>3</sup> For the avoidance of doubt, the receipt of meal catering services from Interested Persons is not related to the core business of the Group.

<sup>4</sup> The SGX-ST had on 27 December 2019 informed the Company that it has no objections to the Company's use of the market capitalisation as at the previous financial year end, instead of its latest audited NTA, as the basis for computing the materiality thresholds under Rules 905 and 906 of the Listing Rules, until such time as its audited NTA turns positive.

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Above is the current IPT categories which were identified and carried out between the Company or any of its subsidiaries with the Interested Persons. However, if any IPTs are not covered by the IPT guidelines and review procedures set out above, the IPTs should be submitted to non-interested directors for approval.

In addition to the guidelines and review procedures set out above, the Group has implemented the following additional guidelines and review procedures to ensure that the IPTs are undertaken on arm's length basis and on normal commercial terms:

- (a) A register is maintained to record the list of interested persons and their associates (which is to be updated immediately if there are any changes) to enable identification of interested persons. The list of interested persons shall be reviewed on a quarterly basis by the Group CFO and subject to such verifications or declarations as required by the IC for such period as determined by them. This list of interested persons shall be disseminated to any staff of the Group that the Group's finance team considers relevant for the purposes of entering into interested person transactions.
- (b) A register is maintained to record all IPTs (including the bases on which the IPTs are entered into, amount and nature) (the **"IPT Register"**) by the Group's finance department, which shall be reviewed by the Group CFO on a monthly basis.
- (c) The IC shall review all IPTs at least on a quarterly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. All relevant non-quantitative factors will also be taken into account. In addition, the IC shall from time to time look into the aggregate value of IPT contracts signed with Sunpower Technology (Jiangsu) Group Co., Ltd. (中圣科技(江苏)集团有限公司) and its subsidiaries (the **"M&S Group"**) on whether it reaches 3.0% of the Group's market capitalisation as at the previous financial year end. According to Rule 905 of the Listing Rules, the Group must make an immediate announcement of the IPTs and all future transactions with the M&S Group during that financial year, if the aggregate value of all transactions entered into with the M&S Group during the same financial year amounts to 3.0% or more of the Group's market capitalisation as at the previous financial year.

Such review includes the examination of the transaction and its supporting documents or such other data deemed necessary by the IC. The IC shall, when it deems fit, request for any additional information pertaining to the transaction under review from independent sources, advisers or valuers, and/or require the appointment of an independent professional firm (the appointment of which shall be approved by the IC) to provide additional review of the internal control procedures and review procedures and their implementation pertaining to interested person transactions under review and to report to the IC on a quarterly basis.

- (d) The IC shall also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that transactions between the Group and the interested persons are conducted at arm's length and on normal commercial terms. If during any of the reviews by the IC, the IC is of the view that the internal control procedures and review procedures for IPTs have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the Group or the Interested Persons are conducted, it will, in consultation with the Board, take such actions as it deems proper in respect of such procedures and guidelines and/or modify or implement such procedures and guidelines as may be necessary to ensure that the IPTs will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. All IPTs will be entered into in accordance with the requirements under Chapter 9 of the Listing Rules (including the requirements under Rule 905 and Rule 906 of the Listing Rules).
- (e) The Board will ensure that all disclosure, approval and other requirements on IPTs, including those required by prevailing legislation, the Listing Rules (in particular, Chapter 9 thereof) and relevant accounting standards, are complied with. The Company will also endeavour to comply with the recommendations set out in the Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore (as amended, modified or supplemented from time to time).
- (f) The IC shall oversee the IPTs from time to time. The internal auditors shall be engaged to review the IPTs to ensure that, amongst other things, the relevant approvals have been obtained and the guidelines and review procedures for the relevant IPTs have been adhered to, when the aggregate value of the IPT contracts which are approved and signed in the same financial year reaches or exceeds 3.0% of the Group's latest audited NTA (or the Company's market capitalisation as at the previous financial year end, until such time as the Group's audited NTA turns positive); or when the aggregate value of the IPT contracts which are approved and signed in the same financial year reaches or exceeds RMB15 million. The internal auditors will report their findings to the IC.



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Other than that, the IC may require the engagement of internal auditors to review the IPTs at their discretion, when necessary.

As disclosed above, the Company's IPT general mandate expired on 28 April 2023. After carefully considering all the relevant factors, including the current status of the 11 projects in operation, the Company did not renew the general mandate from shareholders for IPTs after 28 April 2023. The aggregate value of transactions entered into by the Group with Interested Persons for FY2024 are as follows<sup>5</sup>:

NAME OF INTERESTED PERSON	NATURE OF RELATIONSHIP	AGGREGATE VALUE OF ALL IPTS FOR THE PERIOD FROM 1 JANUARY 2024 TO 31 DECEMBER 2024 (EXCLUDING TRANSACTIONS LESS THAN \$100,000 AND TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920) <sup>(i)</sup> RMB'000	AGGREGATE VALUE OF ALL IPTS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920 FOR THE PERIOD FROM 1 JANUARY 2024 TO 31 DECEMBER 2024 (EXCLUDING TRANSACTIONS LESS THAN \$100,000) <sup>(ii)</sup> RMB'000
Nanjing Heye Conference Service Co., Ltd.			
• Fee payment for purchasing catering services	Associate of controlling shareholders	–	291
• Fee payment for purchasing catering services	Associate of controlling shareholders	–	234
Jiangsu Sunpower Technology Co., Ltd.			
• Lease of office buildings	Associate of controlling shareholders	–	1,235
Jiangsu Shengtai Energy Network Technology Co., Ltd. <sup>(iii)</sup>			
• Construction fee paid for Pipeline and Condensation Recovery Project	Associate of controlling shareholders	–	3,615 <sup>(iv)</sup>
Sunpower Technology (Jiangsu) Co., Ltd.			
• Reversal of other payable <sup>(v)</sup>	Associate of controlling shareholders	19,739	–

Notes:

- (i) The transactions listed in this column pertain to transactions that are non-mandated.
- (ii) The transactions listed in this column pertain to 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 these contracts, certain 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.
- (iii) Jiangsu Shengtai Energy Network Technology Co., Ltd. was previously referred to as Jiangsu Sunpower Pipe-line Engineering Technology Co., Ltd.
- (iv) On 26 July 2022, Jiangsu Shengtai Energy Network Technology Co., Ltd. (the "pipeline company") has been disposed by Sunpower Technology (Jiangsu) Group Co., Ltd. to unrelated third parties, which are not interested persons of the Group. As a result, transactions entered between the Group and the pipeline company on and from 26 July 2022 are no longer interested person transactions within the meaning of Chapter 9 of the Listing Manual. By the nature of certain of these contracts, certain 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.
- (v) The payable balance was recognised prior to the disposal of the M&S business. As of 31 December 2024, it was confirmed by both parties that there is no other outstanding payable between the two entities, hence the amount was reversed.

The Board is of the view that the transactions above were not prejudicial to the interest of the Group or the Company's minority shareholders.

<sup>5</sup> In its announcement of unaudited financial statements for the full financial year ended 31 December 2024, the Company also made voluntary disclosure of non-IPTs which comprise contract entered with the M&S Group that were signed prior to 30 April 2021 (the completion date of the disposal of the M&S). For details, please refer to the Company's announcement of unaudited financial statements released on SGXNet on 29 February 2024.

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## 5. SHAREHOLDER RIGHTS AND ENGAGEMENT

*Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects*

- (i) The Board provides the shareholders with a detailed and balanced explanation and analysis of the Company's and Group's performance, position and prospects on a quarterly basis. Financial reports and other price sensitive information are disseminated to shareholders through announcements via SGXNet, press releases and the Company's website. The Management presents the quarterly financial results announcement to the AC for review and after the review, the AC recommends the financial results announcement to the Board for approval before being released. If required, the Group's external auditors' views will be sought. The Board ensures that all relevant regulatory compliance requirements and updates will be highlighted from time to time to ensure adequate compliance with the regulatory requirements. The Board will also review and approve any press releases concerning the Company's financial results. The Company's Annual Report is available on request and accessible on the Company's website.
- (ii) The Board reviews operational and regulatory compliance reports from the Management to ensure compliance with all of the Group's operational practices and procedures and relevant regulatory requirements.
- (iii) In line with the Listing Rules, the Board provides an assurance statement to the shareholders in respect of the interim financial statements. The Management maintains regular contact and communication with the Board through various means, including the preparation and circulation to all Board members of quarterly and full year financial statements of the Group. This allows the Board to monitor the Group's performance and position as well as the Management's achievements of the goals and objectives determined and set by the Board.
- (iv) At AGMs, shareholders are given the opportunity to air their views and ask Directors or Management questions regarding the Company. Shareholders are encouraged to attend the AGMs to ensure a high level of accountability and to stay informed of the Group's strategies and goals. The AGM is the principal forum for dialogue with shareholders. The Board supports the Code's principle to encourage shareholder participation. The Bye-Laws allow a shareholder of the Company to appoint one (1) or two (2) proxies to attend the AGM and vote in place of the shareholder. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders via the internet is not compromised.
- (v) The members of the AC, NC and RC will be present at the AGM to address queries relating to the work of these committees. The Company's auditors are also invited to attend the AGM.
- (vi) All resolutions tabled at the general meetings are voted by poll for which the procedures are clearly explained. The voting results of each resolutions tabled are announced at the meeting and in an announcement released after the meeting to the SGX-ST via SGXNet.
- (vii) The resolutions at general meetings are on each substantially separate issue. All the resolutions at the general meetings are in single item resolutions.
- (viii) The Company Secretaries prepare minutes of general meetings that include comments or queries from shareholders relating to the agenda of the meetings, and responses from the Board and the Management, and are made available to shareholders upon their request.
- (ix) The Company has not implemented electronic voting with a voting device at general meetings following a cost/benefit review but will consider implementing it in future if electronic voting benefits outweigh the costs.

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- (x) The attendance of each Director at general meetings held in FY2024 is set out as follows:

	AGM (25 APRIL 2024)	SPECIAL GENERAL MEETING (25 APRIL 2024)
	Attended	Attended
Guo Hong Xin	✓	✓
Ma Ming	✓	✓
Lau Ping Sum Pearce	✓	✓
Chin Sek Peng	✓	✓
Li Lei	–	–
Yang Zheng	✓	✓
Wang Dao Fu	✓	✓
Wang Guannan	–	–
Limjoco Ross Yu <sup>(1)</sup>	N/A	N/A
Mak Yen-Chen Andrew <sup>(2)</sup>	N/A	N/A

(1) Mr Limjoco Ross Yu was appointed as a Director on 13 May 2024.

(2) Mr Mak Yen-Chen Andrew was appointed as a Director on 13 May 2024.

- (xi) The Company treats shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company releases resolutions passed at shareholders' meetings through SGXNet together with the breakdown of all valid votes cast at the meeting as soon as practicable. The Company shall disclose or publish the minutes of general meetings of shareholders on its corporate website.
- (xii) The Group does not have a fixed dividend policy at present. With the exception of the financial year ended 31 December 2022, the Company has distributed dividends every year since the financial year ended 31 December 2010.

*Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.*

- (i) The Board is mindful of the obligation to keep shareholders informed of all major developments that affect the Group in accordance with the Listing Rules.
- (ii) Information is communicated to shareholders on a timely basis through:
- annual reports that are prepared and issued to all shareholders within the mandatory period;
  - public announcements *via* SGXNet system, the press and research analysts;
  - notices of annual general meetings; and
  - the Company's corporate website <http://www.sunpowergroup.com.cn> and investor relations website <http://sunpower.listedcompany.com> which shareholders can use to access information on the Group.
- (iii) The Board will support and encourage active shareholders' participation at AGMs as it believes that general meetings serve as an opportune forum for shareholders to meet the Board and key management, and to interact with them.
- (iv) General meetings have been and are still the principal forum for dialogue with the shareholders. They offer opportunities for the Board to interact with shareholders, understand their views, gather feedback as well as address concerns. Enquiries by shareholders are dealt with as promptly as practicably possible.

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- (v) The Company has an investor relation team and the contact has been provided in the investor relations website. Stakeholders can provide feedback to the Company *via* email, postal mail or phone calls.
- (vi) The Company is committed to upholding high standards of corporate transparency and disclosure, whilst safeguarding its commercial interests.
- (vii) The Group does not practise selective disclosure. The Company makes every effort to ensure that shareholders have easy access to clear, meaningful and timely information on the Company in order to make informed investment decisions. All material information and presentation slides (if any) would be released *via* SGXNet on a timely basis.

## 6. MANAGING STAKEHOLDER RELATIONSHIPS

*Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.*

- (i) The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups and discloses its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period in its Sustainability Report, which is released separately from its Annual Report.
- (ii) The Company maintains a corporate website, which is regularly updated to provide stakeholders with timely and accurate information on the Company's operations, performance and key initiatives. In addition, the Company has established various other communication channels, including a separate investor relations website designed for investors, offering up-to-date financial reports, corporate governance documents, and corporate announcements; as well as group and shareholder engagement initiatives, including financial results briefings for investors every quarter, in order to proactively engage with stakeholders and listen to their feedback. Stakeholders can also contact the company directly at [ir@sunpowergroup.com.cn](mailto:ir@sunpowergroup.com.cn) with any questions that they may have or requests for discussions *via* telephone calls or face-to-face meetings with the Company's securities market representative in Singapore.
- (iii) To further enhance transparency and accountability, the Company has also implemented other stakeholder feedback mechanisms. Such initiatives provide valuable insights into stakeholder concerns and expectations, enabling it to integrate their feedback into its business strategies, ESG commitments and relevant corporate policies if it is practical and relevant. This ensures alignment with evolving industry standards, regulatory requirements and sustainability goals. For further details, please refer to the Company's Sustainability Report.

## 7. DEALINGS IN SECURITIES

(Rule 1207(19) of the Listing Rules)

Directors and officers of the Group are advised not to deal in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. They are not allowed to deal in the Company's shares during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three (3) quarters of the financial year and one (1) month before the announcement of the Company's full year financial statements, and ending on the date of the announcement of the relevant results.

The Company has complied with the SGX-ST's rules on best practices on dealings in the Company's securities in FY2024.

## 8. MATERIAL CONTRACTS

(Rule 1207(8) of the Listing Rules)

Save for the service agreements between the Executive Director, Non-Executive Chairman and the Company, there are no material contracts of the Company or its subsidiaries involving the interest of any Director or controlling shareholders subsisting at the end of FY2024.



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## 9. USE OF PROCEEDS FROM CONVERTIBLE BONDS

On 3 March 2017, the Company completed the issuance of 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 to Glory Sky Vision Limited ("**Glory Sky**"), ultimately indirectly and beneficially owned by CDH.

On 10 January 2018, Glory Sky transferred US\$60 million in principal amount of CB1s to three (3) distinct entities of DCP. As a result of the transfer, Glory Sky now holds US\$50 million of CB1, while Blue Starry Energy Limited ("**Blue Starry**"), Green Hawaii Air Limited and Alpha Keen Limited (each a wholly-owned subsidiary of DCP) each holds US\$46,000,815, US\$2,999,185 and US\$11,000,000 of CB1 respectively, or US\$60 million collectively.

On 6 September 2018, the Company obtained shareholders' approval for the issuance of a second tranche of convertible bonds of an aggregate principal amount of US\$70 million ("**Tranche 2 Convertible Bonds**" or "**CB2**") and warrants exercisable at an aggregate amount of US\$30 million (the "**Warrants**" or the "**Warrant Shares**") to DCP and CDH to fund the GI related business of the Company. Subsequently, the Company completed the issuance of CB2 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 the Warrants expired unexercised, and all 57,625,714 Warrants have lapsed and ceased to be valid for any purpose.

On 31 December 2020, the Company and the Existing Bondholders entered into an amendment agreement (the "**2020 Amendment Agreement**"), in connection with the disposal of the M&S business, to amend certain terms of the purchase agreements of the CB1s and CB2s. The Amendment Agreement confirms that the aggregate principal amount of the Tranche 1 Convertible Bonds and Tranche 2 Convertible Bonds issued as at the date of the Amendment Agreement is US\$130 million, and extended the maturity date of the CBs by one (1) year to 3 March 2023.

On 24 March 2023, the Company and the Existing Bondholders entered into an amendment agreement (the "**2023 Amendment Agreement**") to amend the relevant terms of the Convertible Bond Purchase Agreement and the CB Terms and Conditions (the "**Amendments**"). 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, as well as to make other Amendments, which are introduced to take into account, *inter alia*, the two-year postponement in the Bondholders' right of redemption upon maturity, the various significant events and the financial performance of the Company. On 28 July 2023, the 2023 Amendment Agreement was approved by shareholders at a Special General Meeting.

The net proceeds raised from CB1 is approximately US\$106.2 million after deducting transaction expenses of US\$3.8 million, while expected net proceeds from the issuance of CB2 will be approximately US\$67.6 million following the full issuance of CB2 to the investors, after deducting transaction expenses of approximately US\$2.4 million.

The net proceeds have been and will be utilised for the expansion and further investment into GI business, including by way of BOT/BOO/TOT models of centralised steam and electricity projects and other environmental protection related projects.

# Corporate Governance Report

As at 31 January 2025, the Company has utilised an aggregate of US\$123.8 million of the net proceeds from CBs as per the schedule below.

PROJECT	USE OF CONVERTIBLE BONDS PROCEEDS	AMOUNT
Shantou	Project construction and equipment procurement	US\$ 20.4 million (approximately RMB132.6 million)
Liutuan	Registered capital	US\$ 0.8 million (approximately RMB5.2 million)
Jining JVC	Installation of steam distribution pipeline	US\$ 1.6 million (approximately RMB10.3 million)
Xinjiang	Registered capital	US\$ 1.4 million (approximately RMB9.0 million)
Yingtang <sup>(1)</sup>	Registered capital	US\$ 0.1 million (approximately RMB0.5 million)
Shandong Yangguang Institute	Purchase consideration of the acquisition	US\$ 4.3 million (approximately RMB28.0 million)
Xinyuan Thermal Power	Purchase consideration of the acquisition	US\$ 13.1 million (approximately RMB85.0 million)
Xintai Zhengda Thermoelectric	Purchase consideration of the acquisition and construction of new facilities	US\$ 22.0 million (approximately RMB145.0 million)
Yongxing Thermal Power	Purchase consideration of the acquisition	US\$ 50.2 million (approximately RMB325.5 million)
General	Administrative and general expenses for business expansion of Green Investment related business	US\$ 9.9 million (approximately RMB64.6 million) <sup>(2)</sup>
<b>Total Convertible Bonds Proceeds utilised</b>		<b>US\$ 123.8 million (approximately RMB805.7 million)</b>
<b>Use of Proceeds balance</b>		<b>Nil</b>

\* Notes:

- (1) Yingtang 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 circulars to shareholders dated 13 February 2017 and 21 August 2018.

On 9 December 2024, the Company released an announcement in connection with its proposed Rights Issue of up to S\$99,609,642 in aggregate principal amount of 7.00% convertible bonds convertible into up to 398,438,568 new ordinary shares in the capital of the Company (the "**Rights Issue Announcement**"). As stated in the Rights Issue Announcement, in order to fully repay the balance due and payable to Existing Bondholder under the convertible bonds in an aggregate principal amount of approximately US\$130 million held by the Existing Bondholders, the Company will be undertaking (a) a partial repayment of the Existing Bonds using the current resources of the Group, namely bank borrowings, such repayment to be completed prior to the completion of the Rights Issue ("**Partial Redemption**"), and (b) the Rights Issue, to repay the remaining amount of the aforesaid liabilities in connection with the Existing Bonds.

# Corporate Governance Report

On 20 December 2024, the Company and the Existing Bondholders entered into an alternative redemption agreement (the “**Alternative Redemption Agreement**”) to agree to an alternative redemption arrangement which shall apply in lieu of the redemption mechanism as set out in the terms and conditions of the Existing Bonds with effect from the date thereof (the “**Amendments**”). Pursuant to the Alternative Redemption Agreement, unless previously redeemed or converted and cancelled as provided therein or otherwise agreed by the Existing Bondholders and the Company in writing, the Company will redeem each Existing Bond on the later of (a) 3 April 2025 and (b) if so elected by the Existing Bondholders (at their sole discretion) by written notice to the Company delivered not less than 10 business days before 3 April 2025, the date that is the 15th business day after the date on which the Company’s audited financial statements for 2024 are issued at a redemption price equal to the higher of the YTM Redemption Price and the Maturity Partial Sale Redemption Price (each as defined in the Terms and Conditions).

## 10. USE OF PROCEEDS FROM M&S DISPOSAL

The Company announced the proposed disposal of the M&S business on 31 December 2020. On 16 April 2021, the proposed disposal was approved by shareholders of the Company at a Special General Meeting.

On 21 May 2021 and 2 July 2021, the Company announced that it has received the Tranche 1 and Tranche 2 Consideration of RMB 1,603.0 million and RMB 687.0 million respectively, for an aggregate amount of RMB 2,290.0 million. After accounting for the expenses incurred by the Company in connection with the disposal, including capital gains tax and stamp duties, of RMB 208.9 million and project adviser fees of RMB 56.7 million, the net proceeds from the proposed disposal of the M&S were RMB 2,024.4 million.

Unless otherwise defined, all capitalised terms and references used herein shall bear the same meaning ascribed to them in the circular to shareholders dated 3 May 2021.

AS OF 31 JANUARY 2025	USE OF PROCEEDS (RMB'000)
Proposed Special Dividend	(925,144) <sup>(1)</sup>
Bondholder’s Special Dividend	(403,316) <sup>(1)(2)</sup>
Capital expenditure on existing projects	(501,465)
Feedstock procurement for operation	(79,943)
Construction costs due	(114,585)
<b>Subtotal of net disposal proceeds used</b>	<b>(2,024,453)</b>
<b>Use of Proceeds balance</b>	<b>Nil</b>

Note:

- (1) On 18 June 2021 and 21 July 2021, a Special Dividends of RMB 925.1 million and RMB 403.3 million was paid to the shareholders and bondholders of the Company respectively.
- (2) Based on the actual exchange rate utilised by the Company to exchange RMB into USD.

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# Directors' Statement

The directors present their statement together with the audited consolidated financial statements of Sunpower Group Ltd. (the "Company") and its subsidiaries (the "Group") and statement of financial position and statement of changes in equity of the Company for the financial year ended December 31, 2024.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 67 to 141 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at December 31, 2024, and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Guo Hong Xin  
Ma Ming  
Ross Yu Limjoco (Appointed on May 13, 2024)  
Mak Yen-Chen Andrew (Appointed on May 13, 2024)  
Li Lei  
Yang Zheng  
Wang Dao Fu  
Wang Guannan

## 2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the options mentioned in paragraph 4 of the Directors' statement.

## 3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations except as follows:

NAME OF DIRECTORS AND COMPANY IN WHICH INTERESTS ARE HELD	AT JANUARY 1, 2024	AT DECEMBER 31, 2024	AT JANUARY 21, 2025
<u>Interest in Sunpower Group Ltd.</u>			
<i>Ordinary shares</i>			
Guo Hong Xin (deemed interest) <sup>(1)</sup>	153,638,554	153,638,554	153,638,554
Ma Ming (deemed interest) <sup>(1)</sup>	137,509,737	137,509,737	137,509,737

<sup>(1)</sup> The directors are deemed to have an interest in all the related corporations of the company.

# Directors' Statement

## 4 SHARE OPTIONS

### (a) Options to take up unissued shares

The Sunpower Employee Share Option Scheme 2015 (the "2015 ESOS") is administered by the Remuneration Committee which comprises:

Mak Yen-Chen Andrew (Chairman)  
Ross Yu Limjoco  
Li Lei  
Wang Daofu  
Wang Guannan

Subject to the absolute discretion of the Remuneration Committee, Controlling Shareholders and their Associates (as defined in the circular to the shareholders dated April 6, 2015) are eligible to participate in the 2015 ESOS, provided that the participation of each Controlling Shareholder or his Associate and each grant of an option to any of them may only be effected with the specific prior approval of independent shareholders in a general meeting by a separate resolution as provided for in the circular to shareholders.

### (b) Unissued shares under option and options exercised

The aggregate number of shares for which options can be granted under the 2015 ESOS is subject to the maximum limit of 15% of the Company's total number of issued shares (excluding treasury shares) for the entire ten-year duration of the 2015 ESOS. Grants to Controlling Shareholders and their Associates shall not exceed 25% of the shares available under the 2015 ESOS. In addition, grants to each Controlling Shareholder or his Associate shall not exceed 10% of the shares available under the 2015 ESOS.

A total of 59,220,000 shares options were granted on May 19, 2015 under the 2015 ESOS which was approved by shareholders on April 29, 2015 (the "Initial Grant"). Group Employees, Executive Directors, Non-Executive Directors, Controlling Shareholders and their Associates (all as defined in 2015 ESOS) can participate in the 2015 ESOS.

A total of 44,330,000 options were granted to employees of the Group in FY2015.

An aggregate of 3,710,000 share options from the Initial Grant has lapsed from 2016 to 2020. In 2021, the Company has granted a total of 3,710,000 share options, a number that is equivalent to the lapsed options. No options were granted, lapsed or cancelled during the financial year ended December 31, 2024 (2023 : No options were lapsed or cancelled).

As of December 31, 2024, an aggregate of 58,029,000 options have been exercised, of which 55,319,000 options were exercised at S\$0.116, 210,000 options were exercised at S\$0.272, 1,420,000 options were exercised at S\$0.379, and 1,080,000 options were exercised at S\$0.312. The aggregated options outstanding were 1,191,000, of which 1,000,000 with exercise price S\$0.308 and 191,000 with exercise price S\$0.116 are all exercisable up to May 19, 2025.

Except as disclosed below:

- a. no participant has received 5% or more of the total options available under this scheme; and
- b. no options were granted to any of the Company's Controlling Shareholders or their Associates (as defined in the Singapore Exchange Securities Trading Limited ("SGX-ST")'s Listing Manual).

# Directors' Statement

NAME OF PARTICIPANT	AGGREGATE OPTIONS		AGGREGATE OPTIONS		AGGREGATE OPTIONS	
	OPTIONS GRANTED DURING THE FINANCIAL YEAR	GRANTED SINCE COMMENCEMENT OF THE SCHEME TO THE END OF FINANCIAL YEAR	EXERCISED SINCE COMMENCEMENT OF THE SCHEME TO THE END OF FINANCIAL YEAR	LAPSED SINCE COMMENCEMENT OF THE SCHEME TO THE END OF FINANCIAL YEAR	AGGREGATE OPTIONS OUTSTANDING AS AT THE END OF FINANCIAL YEAR	
	('000)	('000)	('000)	('000)	('000)	
Guo Hong Xin (Director)	-	5,922	(5,922)	-	-	
Ma Ming (Director)	-	8,968	(8,968)	-	-	
Gu Quan Jun (Employee) <sup>(1)</sup>	-	3,000	(2,000)	-	1,000	

(1) Gu Quan Jun resigned from his position on April 26, 2021.

## 5 AUDIT COMMITTEE

The Board has adopted the principles of corporate governance as described in the Code of Corporate Governance formulated by the Singapore Exchange Securities Trading Limited ("SGX-ST") with regards to the Audit Committee.

The Audit Committee of the Company is chaired by Ross Yu Limjoco, and include Mak Yen-Chen Andrew and Yang Zheng. All the members of the Audit Committee are independent directors of the Company.

The Audit Committee has met four times since the last Annual General Meeting ('AGM') and has reviewed the following, where relevant, with the executive director and external and internal auditors of the Company:

- The audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;
- The Group's financial and operating results and accounting policies;
- The audit plans of the external auditors;
- The statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditor's report on those financial statements;
- The quarterly, half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;
- The co-operation and assistance given by management to the Group's external auditors; and
- The re-appointment of the external auditors of the Group.

The Audit Committee has full access to and co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditor of the Group at the forthcoming AGM of the Company.

# Directors’ Statement

## 6 AUDITOR

The auditor, Deloitte & Touche LLP, has expressed their willingness to accept re-appointment.

ON BEHALF OF THE BOARD

.....  
Guo Hong Xin

.....  
Ma Ming

March 28, 2025



# Independent Auditor's Report

TO THE MEMBERS OF SUNPOWER GROUP LTD.

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Sunpower Group Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 67 to 141.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at December 31, 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the statement of changes in equity of the Company for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent Auditor's Report

TO THE MEMBERS OF SUNPOWER GROUP LTD.

## KEY AUDIT MATTER

### **Revenue, cost and intangible assets arising from Build-Operate-Transfer ("BOT") projects**

(Refer to Notes 3.2(a), 16 and 27 to the financial statements)

The Group has BOT projects which involve expenditure of costs during the construction phase to be recovered from operating the facilities and selling steam and electricity in future.

The Group recognises revenue in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*, namely revenue is recognised when (or as) the performance obligations are satisfied. Intangible assets arising from costs incurred during the construction phase which are projected to be recoverable during the operating period are recognised in accordance with SFRS(I) INT 12 *Service Concession Arrangements*.

Significant estimates and judgement include the following:

- Projection of total revenue which can be billed to end users during the operating period.
- Evaluation of estimated profit margins for each of the construction and operating phases.
- Allocation of revenue between the construction and service elements of the project.
- Recoverable amount of intangible assets which represent cost recoverable from future operations.

## HOW THE MATTER WAS ADDRESSED IN THE AUDIT

We:

- assessed the design and implementation and tested operating effectiveness of internal controls over review of budgets submitted by contractors;
- assessed the design and implementation of internal controls over confirmation of percentage of completion;
- performed substantive testing, including review of the revenue recognised based on the acknowledged progress reports in order to determine that the revenue is recognised in accordance with the principles of revenue recognition and are supported by signed contracts;
- analysed contracts with higher and lower margins to determine the underlying reasons and verified these reasons at the start of construction;
- sent confirmation requests to confirm progress of construction contracts using the output method at year end;
- used internal specialist to review reasonableness of gross profit margin of BOT projects at the start of construction;
- performed test for cut-off of revenue and corresponding matching of cost at year end; and
- reviewed credit notes issued throughout the year and subsequent to year end.

We reviewed the adequacy of disclosures in the financial statements regarding material accounting policies, significant management judgement and accounting estimates in Notes 2 and 3.2(a) to the financial statements respectively.

# Independent Auditor's Report

TO THE MEMBERS OF SUNPOWER GROUP LTD.

## KEY AUDIT MATTER

## HOW THE MATTER WAS ADDRESSED IN THE AUDIT

### Going concern (refer to 3.1 to the financial statements)

The Group's current liabilities exceeded current assets by RMB823,570,000 as at December 31, 2024. The net current liability position is mainly due to convertible bonds ("CBs") of RMB1 billion maturing on April 3, 2025. Had the convertible bonds remained in non-current, the Group's current assets would have exceeded its current liabilities by RMB256,741,000.

Based on the Group's CBs repayment plan and cash flow forecast, the Board of Directors are of the view that there is no material uncertainty regarding the Group's ability to continue as a going concern. Management's critical judgements underlying the going concern basis are set out in Note 3.1 to the financial statements.

We:

- made enquiry with management with respect to management's plans to redeem the CBs;
- reviewed board meeting minutes and directors resolutions;
- sighted relevant evidence to support management's plans;
- obtained and discussed with management the group's cashflow forecast for the next 12 months from the date of authorisation of the financial statements; and
- reviewed the adequacy of disclosures in the financial statements regarding liquidity risk and critical judgement on going concern basis.

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management is responsible for the other information. The other information comprises the information included in the annual report and the Directors' Statement, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with SFRS(I) s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

# Independent Auditor's Report

TO THE MEMBERS OF SUNPOWER GROUP LTD.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Toh Yew Kuan Jeremy.

Deloitte & Touche LLP  
Public Accountants and  
Chartered Accountants  
Singapore

March 28, 2025



# Statements of Financial Position

December 31, 2024

	NOTE	GROUP		COMPANY	
		2024	2023	2024	2023
		RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	1,193,847	663,090	398,726	995
Pledged bank deposits	7	212,961	84,676	-	-
Trade receivables	8	878,985	813,033	-	-
Other receivables, deposits and prepayments	9	191,826	249,575	173,656	427,083
Inventories	10	167,011	138,028	-	-
Financial assets at fair value through other comprehensive income	12	69,187	36,259	-	-
Total current assets		2,713,817	1,984,661	572,382	428,078
<b>Non-current assets</b>					
Property, plant and equipment	11	498,195	517,628	-	-
Other receivables, deposits and prepayments	9	83,648	50,117	-	-
Financial assets at fair value through other comprehensive income	12	2,577	2,142	-	-
Right-of-use assets	13	223,275	230,229	-	-
Subsidiaries	14	-	-	914,379	914,379
Associates	15	65,471	58,949	-	-
Intangible assets	16	4,228,770	4,335,777	-	-
Deferred tax assets	17	75,948	34,010	-	-
Goodwill	18	415,582	415,582	-	-
Total non-current assets		5,593,466	5,644,434	914,379	914,379
<b>Total assets</b>		<b>8,307,283</b>	<b>7,629,095</b>	<b>1,486,761</b>	<b>1,342,457</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade payables, other payables and contract liabilities	19	774,274	712,896	587,290	488,890
Borrowings	20	1,653,812	1,191,484	-	-
Lease liabilities	22	1,293	1,235	-	-
Convertible bonds	21	1,080,311	-	1,080,311	-
Income tax payable		27,697	25,927	-	-
Total current liabilities		3,537,387	1,931,542	1,667,601	488,890
<b>Non-current liabilities</b>					
Deferred tax liabilities	17	216,996	217,460	-	-
Borrowings	20	2,008,960	2,191,842	-	-
Convertible bonds	21	-	973,845	-	973,845
Lease liabilities	22	444	1,737	-	-
Total non-current liabilities		2,226,400	3,384,884	-	973,845

# Statements of Financial Position (cont'd)

December 31, 2024

	NOTE	GROUP		COMPANY	
		2024	2023	2024	2023
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Capital and reserves</b>					
Share capital	23	57,662	57,662	57,662	57,662
Share premium		313,653	313,653	313,653	313,653
General reserves	24	366,056	288,101	-	-
Share option reserve	25	319	319	319	319
Revaluation reserve	26	(1,694)	(1,834)	-	-
Retained earnings (Accumulated losses)		1,278,303	1,242,539	(552,474)	(491,912)
Equity (Deficit) attributable to equity holders of the Company		2,014,299	1,900,440	(180,840)	(120,278)
Non-controlling interests		529,197	412,229	-	-
Total equity (deficit)		2,543,496	2,312,669	(180,840)	(120,278)
<b>Total liabilities and equity</b>		8,307,283	7,629,095	1,486,761	1,342,457

See accompanying notes to financial statements.

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

Financial year ended December 31, 2024

	NOTE	GROUP	
		2024 RMB'000	2023 RMB'000
<b>Revenue</b>	27	3,505,184	3,403,064
Cost of sales		(2,612,406)	(2,571,506)
<b>Gross profit</b>		892,778	831,558
Other operating income	28	61,941	20,028
Selling and distribution expenses		(79,485)	(71,106)
Administrative expenses		(107,678)	(124,838)
Other operating expenses	29	(164,535)	(38,259)
Finance costs	30	(269,928)	(278,744)
Share of profit of associate	15	6,522	5,062
<b>Profit before income tax</b>	31	339,615	343,701
Income tax expense	32	(95,203)	(75,219)
<b>Profit for the year</b>		244,412	268,482
<b>Other comprehensive income (loss)</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Net fair value gain (loss) on investments in equity instruments designated as at FVTOCI		326	(226)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net fair value (loss) gain on investments in debt instruments classified as at FVTOCI		(203)	92
Other comprehensive income (loss) for the year, net of tax		123	(134)
<b>Total comprehensive income for the year</b>		244,535	268,348
Profit for the year attributable to:			
Equity holders of the Company		119,437	175,772
Non-controlling interests		124,975	92,710
Profit for the year		244,412	268,482
Total comprehensive income for the year attributable to:			
Equity holders of the Company		119,577	175,644
Non-controlling interests		124,958	92,704
Total comprehensive income for the year		244,535	268,348
<b>Earnings per share (RMB cents)</b>			
From continuing operations			
- Basic	33	15.01	22.09
- Diluted	33	15.01	22.09

# Statements of Changes In Equity

Financial year ended December 31, 2024

	SHARE CAPITAL (NOTE 23)	SHARE PREMIUM	GENERAL RESERVES (NOTE 24)	SHARE OPTION RESERVE (NOTE 25)	REVALUATION RESERVE (NOTE 26)	RETAINED EARNINGS	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>GROUP</b>									
<b>Balance as at January 1, 2023</b>	57,662	313,653	239,681	319	(1,706)	1,120,715	1,730,324	319,525	2,049,849
<i>Total comprehensive income for the year:</i>									
Profit for the year	-	-	-	-	-	175,772	175,772	92,710	268,482
Other comprehensive loss for the year	-	-	-	-	(128)	-	(128)	(6)	(134)
Total	-	-	-	-	(128)	175,772	175,644	92,704	268,348
<i>Transactions with owners, recognised directly in equity:</i>									
Transfer to general reserves (Note 24)	-	-	47,737	-	-	(47,737)	-	-	-
Others	-	-	683	-	-	(683)	-	-	-
Dividend paid (Note 34)	-	-	-	-	-	(5,528)	(5,528)	-	(5,528)
Total	-	-	48,420	-	-	(53,948)	(5,528)	-	(5,528)
<b>Balance as at December 31, 2023</b>	57,662	313,653	288,101	319	(1,834)	1,242,539	1,900,440	412,229	2,312,669
<i>Total comprehensive income for the year:</i>									
Profit for the year	-	-	-	-	-	119,437	119,437	124,975	244,412
Other comprehensive income for the year	-	-	-	-	140	-	140	(17)	123
Total	-	-	-	-	140	119,437	119,577	124,958	244,535
<i>Transactions with owners, recognised directly in equity:</i>									
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	(2,000)	(2,000)
Transfer to general reserves (Note 24)	-	-	83,673	-	-	(83,673)	-	-	-
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 December 31, 2024</b>	57,662	313,653	366,056	319	(1,694)	1,278,303	2,014,299	529,197	2,543,496



# Statements of Changes In Equity (cont'd)

Financial year ended December 31, 2024

	SHARE CAPITAL (NOTE 23)	SHARE PREMIUM	SHARE OPTION RESERVE (NOTE 25)	RETAINED EARNINGS	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	TOTAL
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<u>COMPANY</u>						
<b>Balance as at January 1, 2023</b>	57,662	313,653	319	(346,794)	24,840	24,840
Loss for the year, representing total comprehensive loss for the year	-	-	-	(139,590)	(139,590)	(139,590)
Dividend paid (Note 34)	-	-	-	(5,528)	(5,528)	(5,528)
<b>Total</b>	-	-	-	(145,118)	(145,118)	(145,118)
<b>Balance as at December 31, 2023</b>	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)
<b>Balance as at December 31, 2024</b>	57,662	313,653	319	(552,474)	(180,840)	(180,840)

# Consolidated Statement of Cash Flows

Financial year ended December 31, 2024

	GROUP	
	2024 RMB'000	2023 RMB'000
<b>Operating activities</b>		
Profit before income tax	339,615	343,701
Adjustments for:		
Depreciation of property, plant and equipment ("PPE")	51,334	48,154
Depreciation of right-of-use asset	6,954	6,149
Amortisation of intangible assets	212,541	187,276
Amortisation of contract cost	237	-
Interest expense	269,928	278,744
Impairment of PPE	633	2,116
Exchange differences arising on foreign currency translation	(1,438)	330
Share of profit of associate	(6,522)	(5,062)
Net loss on disposal of property, plant and equipment (Note C)	1,310	572
Gain on disposal of right-of-use asset	-	(264)
Impairment allowance on inventories, net of allowance	-	(1,251)
Interest income	(6,006)	(6,753)
Impairment loss on trade and other receivables subject to ECL, net	128,349	17,197
Reversal of other payable	(19,739)	-
Exchange loss on convertible bonds	31,347	14,895
Operating cash flows before movements in working capital	1,008,543	885,804
Trade receivables	(188,565)	(181,451)
Other receivables and prepayments	66,273	87,448
Prepayment for contract cost	-	(6,364)
Financial assets at fair value through other comprehensive income	(37,637)	14,323
Inventories	(28,983)	38,538
Trade payables, other payables and contract liabilities	80,895	(111,325)
Cash generated from operations	900,526	726,973
Income tax paid	(126,378)	(87,489)
Interest received	6,006	6,753
Interest paid	(157,872)	(183,018)
Net cash from operating activities	622,282	463,219
<b>Investing activities</b>		
Purchase of property, plant and equipment (Note A)	(19,213)	(48,121)
Prepayment for build-operate-transfer ("BOT") projects	(14,770)	(33,125)
Acquisition of intangible assets (Note B)	(142,143)	(343,984)
Proceeds from disposal of subsidiaries (Note D)	-	1,400
Acquisition of non-controlling interests	(11,708)	-
Proceeds from disposal of property, plant and equipment (Note C)	38	116
Net cash used in investing activities	(187,796)	(423,714)

# Consolidated Statement of Cash Flows (cont'd)

Financial year ended December 31, 2024

	GROUP	
	2024 RMB'000	2023 RMB'000
<b>Financing activities</b>		
Proceeds from new borrowings (Note E)	1,726,655	1,085,072
Pledged bank deposits	(128,285)	44,066
Payment of dividend	-	(5,528)
Repayment of borrowings (Note E)	(1,447,209)	(1,044,721)
Repayments of lease liabilities	(1,357)	(1,490)
Payment of other financing activity expenses	(15,331)	-
Payment of dividend to non-controlling interest of a subsidiary	(2,000)	-
Interest paid	(36,202)	(39,082)
Net cash from financing activities	96,271	38,317
Net increase in cash and cash equivalents	530,757	77,822
Cash and cash equivalents at beginning of year	663,090	585,268
<b>Cash and cash equivalents at end of year (Note 6)</b>	<b>1,193,847</b>	<b>663,090</b>

## Note A

At the end of the reporting period, RMB34,878,000 (2023 : RMB39,917,000) of additions to property, plant and equipment remain unpaid.

## Note B

	2024 RMB'000	2023 RMB'000
Acquisition unpaid as at beginning of the year	168,723	376,098
Additions during the year (Note 16)	105,534	136,609
Less: Cash outflows during the year	(142,143)	(343,984)
Acquisition unpaid as at end of the year	132,114	168,723

The cash outflows of RMB142,143,000 (2023 : RMB343,984,000) during the year includes payments for intangible assets acquired in previous financial year.

# Consolidated Statement of Cash Flows (cont'd)

Financial year ended December 31, 2024

## Note C

In 2023, the Group disposed property, plant and equipment to third parties with consideration of RMB116,000 received during the financial year. The carrying amount of the disposed property, plant and equipment were RMB688,000 and the loss on disposal of property, plant and equipment were RMB572,000.

In 2024, the Group disposed property, plant and equipment to third parties for RMB907,000. Of which, RMB38,000 is received during the financial year. The carrying amount of the disposed property, plant and equipment were RMB2,217,000 and the loss on disposal of property, plant and equipment were RMB1,310,000.

## Note D

On October 27, 2022, the Group disposed its interest in a subsidiary, Jiangsu Sunpower Energy-Saving Technology Co.,Ltd. ("Sunpower-Saving") for cash consideration of RMB2,000,000. RMB600,000 was received in the year ended December 31, 2022 and RMB1,400,000 was received in the year ended December 31, 2023.

## Note E

Proceeds from new borrowings include gross proceeds from sale and leaseback transactions of RMB638 million (2023: RMB250 million). Repayment of borrowings include repayment of borrowings arising from sale and leaseback transactions of RMB282.4 million (2023: RMB79 million).



# Notes to the Financial Statements

December 31, 2024

## 1 GENERAL

The Company (Registration Number 35230) is incorporated in Bermuda, under the Companies Act 1981 of Bermuda, with its registered office at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and principal place of business at No. 2111 Chengxin Road, Nanjing Jiangning Science Park, Nanjing, China 211112. The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries and associates are detailed in Notes 14 and 15 to the financial statements respectively.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended December 31, 2024 were authorised for issue by the Board of Directors on March 28, 2025.

### 1.1 Basis of preparation

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the material accounting policy information, and are drawn up in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"). The financial statements are expressed in Chinese Renminbi ("RMB").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Group's current liabilities exceeded current assets by RMB823,570,000 due to convertible bonds ("CBs") of RMB1 billion maturing within 12 months after the reporting period. Had the convertible bonds remained non-current, the Group's current assets would have exceeded its current liabilities by RMB256,741,000. As disclosed in Note 3.1, the accompanying financial statements for the year ended December 31, 2024 have been prepared on a going concern basis as the directors are of the view that barring unforeseen circumstances, the Group is able to generate adequate cashflows and obtain sufficient funding so as to repay the convertible bond and discharge liabilities in the normal course of business for the foreseeable future.

### 1.2 Adoption of new and revised Standards

In the current year, the Group and the Company adopted all the new and revised SFRS(I) Accounting Standards that are mandatorily effective for an accounting period that begins on or after January 1, 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

# Notes to the Financial Statements

December 31, 2024

## 1 GENERAL (CONT'D)

### 1.3 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements that are relevant to the Group and Company were issued but are not yet effective:

#### Effective for annual periods beginning on or after January 1, 2025

- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*

#### Effective for annual periods beginning on or after January 1, 2026

- Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*
- Annual Improvements to SFRS(I)s–Volume 11
- Amendments to SFRS(I) 9 and SFRS(I) 7: *Contracts Referencing Nature-dependent Electricity*

#### Effective for annual periods beginning on or after January 1, 2027

- Amendments to SFRS(I) 18: *Presentation and Disclosure in Financial Statements*

#### Effective date is deferred indefinitely

- Amendments to SFRS(I) 10: *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

#### SFRS(I) 18 Presentation and Disclosures in Financial Statements

SFRS(I) 18 replaces SFRS(I) 1-1, carrying forward many of the requirements in SFRS(I) 1-1 unchanged and complementing them with new requirements. In addition, some SFRS(I) 1-1 paragraphs have been moved to SFRS(I) 1-8 and SFRS(I) 7. Furthermore, minor amendments to SFRS(I) 1-7 and SFRS(I) 1-33 *Earnings per Share* have been made.

SFRS(I) 18 introduces new requirements to:

- Present specified categories and defined subtotals in the statement of profit or loss;
- Provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements;
- Improve aggregation and disaggregation presented in the financial statements and disclosed in the notes.

The Group and the Company is required to apply SFRS(I) 18 for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to SFRS(I) 1-7 and SFRS(I) 1-33, as well as the revised SFRS(I) 1-8 and SFRS(I) 7, become effective when the Group and the Company applies SFRS(I) 18. SFRS(I) 18 requires retrospective application with specific transition provisions.

Management anticipates that the adoption of the above new or revised SFRS(I) and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

# Notes to the Financial Statements

December 31, 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION

### 2.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their material accounting policies in line with the Group's material accounting policies.

All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

# Notes to the Financial Statements

December 31, 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.1 Basis of consolidation (cont'd)

Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable SFRS(I) Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investment in subsidiaries is carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

### 2.2 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories or value in use* in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

# Notes to the Financial Statements

December 31, 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.3 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered to replace share-based payment arrangements of the acquiree are measured in accordance with SFRS(I) 2 *Share-based Payment* at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.



# Notes to the Financial Statements

December 31, 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.4 Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets are initially measured at fair value (except for trade receivables that do not have a significant financing component which are measured at transaction price), net of transaction costs that are directly attributable to the acquisition or issue of financial assets (other than those at fair value through profit or loss). Transaction costs directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

#### Classification of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL') based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group classifies its financial assets in the following measurement categories. The basis of classification and subsequent measurement of the financial assets are further described in the respective notes.

MEASUREMENT CATEGORY	CRITERIA	FINANCIAL ASSETS
Financial assets at amortised cost	Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI")	Cash and cash equivalents (Note 6)  Trade receivables (Note 8)  Other receivables, deposits and prepayments (Note 9)
Equity instruments designated as at FVTOCI	On initial recognition of certain equity instruments that are not held for trading, the group has made an irrevocable election (on an instrument-by-instrument basis) to present subsequent changes in the instruments' fair value in other comprehensive income	Financial assets at fair value through other comprehensive income (Note 12)

# Notes to the Financial Statements

December 31, 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.4 Financial instruments (cont'd)

#### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ('ECL') on trade receivables and other receivables, contract assets and other debt instruments that are measured at amortised cost or at FVTOCI. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset. The ECL incorporates forward-looking information and is a probability-weighted estimate of the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate. Details about the group's credit risk management and impairment policies are disclosed in Note 4.

#### **Financial liabilities and equity**

#### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### Convertible bonds

At the date of issue, the Group's convertible bonds consist of a debt host liability component and a derivative liability component. The component parts are classified as financial liabilities in accordance with the substance of the contractual arrangement.

At the date of issue, the fair value of the derivative liability component is estimated using the Binomial model. This amount is recorded as a liability at fair value, and is subsequently remeasured at the end of each financial period with changes in fair value recognised in profit or loss.

At the date of issue, the fair value of the debt host liability component is determined by deducting the amount of the derivative liability component from the fair value of the convertible bonds as a whole. This is recorded as a liability on an amortised cost basis until extinguished upon conversion or at the instrument's maturity date.

Transaction costs that relate to the issue of the convertible bonds are offset against the nominal value of convertible bonds issued.

#### Financial liabilities at amortised cost

Financial liabilities at amortised cost include trade and other payables and borrowings. These are initially measured at fair value, net of transaction costs that are directly attributable to the acquisition or issue of the financial liabilities, and are subsequently measured at amortised cost using the effective interest method.

#### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

# Notes to the Financial Statements

December 31, 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.5 Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

# Notes to the Financial Statements

December 31, 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.5 Leases (cont'd)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct cost. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.9 - Impairment of property, plant and equipment, right-of-use assets and intangible assets excluding goodwill.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other operating expenses' in profit or loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

### 2.6 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and any impairment losses.

Properties in the course of construction for production, supply or administration purpose, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases per annum:

Buildings	-	5%
Leasehold improvements	-	20%
Plant and machinery	-	10%
Furniture, fixtures and equipment	-	20%
Motor vehicles	-	20%

# Notes to the Financial Statements

December 31, 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.6 Property, plant and equipment (cont'd)

No depreciation is provided on construction-in-progress.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

### 2.7 Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired net of liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### 2.8 Intangible assets

#### *Intangible assets acquired separately*

Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

Intangible assets arising from service concession arrangements are described in the following section "SERVICE CONCESSION ARRANGEMENTS".



# Notes to the Financial Statements

December 31, 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.8 Intangible assets (cont'd)

**SERVICE CONCESSION ARRANGEMENTS** - Service concession under build-operate-transfer ("BOT") arrangements involve the Group constructing infrastructure in exchange for the right to operate the infrastructure and to charge for utilities generated at the infrastructure for finite periods in the future, based on consumption of utilities by end-users in future. The Group has entered into BOT arrangements in respect of construction and operation of centralised steam and electricity facilities with the local government authorities. Under the terms of the arrangement, upon expiry of the respective BOT arrangements, the infrastructure is transferrable to the local government if requested by the local government.

The Group recognises an intangible asset at fair value upon initial recognition (arising from business combination) when it has a right to charge for usage in relation to a concession infrastructure. Subsequent to initial recognition, the intangible asset is measured at cost less accumulated amortisation and any impairment loss. Amortisation is provided on straight-line basis over the respective periods of the operating phase of the concession periods of the Group which is up to 38.5 years.

These service concession arrangements are accounted for under the principles of SFRS(I) INT 12 *Service Concession Arrangements*.

*Contractual obligations to restore the infrastructure to a specified level serviceability under service concession arrangements*

Contractual obligations to maintain the infrastructure to a specified level of serviceability and/or restore the infrastructure to a specified condition before they are handed over to the grantor of the concession at the end of the service concession arrangement are recognised and measure in accordance with the policy set out for "Provisions" below.

Repair and maintenance and other expenses that are routine in nature and expensed and recognised in profit or loss as incurred.

**TECHNICAL KNOW-HOW AND TRADEMARK** - The technical know-how and trademark are measured initially at purchase cost and are amortised on a straight-line basis over its estimated useful life of 5 years and 10 years respectively.

#### LICENSES

*Indefinite useful lives*

The useful lives of the licenses are estimated to be indefinite based on the current practices in the local construction and power industries where licenses may be renewed indefinitely at little cost, management believes there is no foreseeable limit to the period over which the licenses are expected to generate net cash inflows for the Group.

*Definite useful lives*

Licenses that have finite useful lives are measured at cost and are amortised over the period of 36 years on a straight line basis to profit or loss.

*Intangible assets acquired in a business combination*

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

# Notes to the Financial Statements

December 31, 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.9 Impairment of property, plant and equipment, right-of-use assets and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

### 2.10 Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

# Notes to the Financial Statements

December 31, 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.11 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the profit or loss in the period in which they become receivable.

### 2.12 Revenue recognition

The Group recognises revenue from the following major sources:

- Sale of goods.
- Revenue from service concession arrangements.
- Provision of utilities.

Revenue is measured at based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue at a point in time or over time depending on when it transfers control of a product or service to a customer.

When either party to a contract has performed, the Group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment. Any unconditional rights to consideration (i.e. amounts that relate to completed performance obligations for which payment is due under the contract) should be presented separately as a receivable.

#### *Sale of goods*

Revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location. A receivable is recognised by the Group upon delivery as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment.

#### *Revenue from service concession arrangements*

The development of greenfield Green Investments ("GI") projects is managed in-house by the Group's own EPC division and operated under a Build-Operate-Transfer ("BOT") model. The Group has been granted exclusive concessions of between 30 to 38.5 years on each project, thus allowing it to be the only centralised supplier of steam, heat and electricity in certain areas.

Revenue from service concession arrangements under the construction phase is recognised over time using the output method. Management considers that this output method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15.

# Notes to the Financial Statements

December 31, 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.12 Revenue recognition (cont'd)

#### *Provision of utilities*

The Group provides heat, steam and electricity to industrial customers, which are from diverse industries such as chemicals, textiles, textile printing and dyeing, food, paper-making, paints, pharmaceuticals, leather, wood processing, plastic recycling, fodder, chemical fertilisers and rubber.

The amount of revenue recognised is based on the consumption of utilities derived from the meter readings and when control of the utilities has transferred to its customer, being when the utilities is delivered to the customer's specific location (delivery). A receivable is recognised by the Group upon delivery as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment.

### 2.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.14 Income tax

The income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

# Notes to the Financial Statements

December 31, 2024

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.14 Income tax (cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

### 2.15 Foreign currency transactions and translation

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Chinese Renminbi ("RMB"), which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's non-PRC foreign operations (including comparatives) are expressed in RMB using exchange rates prevailing on the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

### 2.16 Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents in the statement of cash flows comprise cash at bank and fixed deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.



# Notes to the Financial Statements

December 31, 2024

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's material accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 3.1 Critical judgements in applying the Group's material accounting policies

As at December 31, 2024, the Group is in a net current liability RMB823,570,000 (2023: net current asset of RMB53,119,000), and generated profit after tax of RMB244,412,000 (2023: RMB268,482,000) and net operating cash inflow of RMB622,282,000 (2023: RMB463,219,000) for the financial year then ended. Notwithstanding this, the management are of the view that the going concern assumption is appropriate for the preparation of these financial statements, due to the following:

- (a) The Group's net current liability position is due to CBs of RMB1 billion maturing within 12 months after the reporting period (Note 21). Had the convertible bonds remained non-current, the Group's current assets would have exceeded its current liabilities by RMB256,741,000.
- (b) In order to fully repay the existing CBs:
  - a. the Company has effected payment of the first, second and third Partial Redemption principal amount of US\$46.4 million (RMB338.7 million), US\$11.7 million (RMB85.4 million) and US\$11.42 million (RMB82.9 million) on January 2, 2025, February 10, 2025 and March 5, 2025 respectively as disclosed in Note 39. Accordingly, the remaining principal amount and estimated accrued and unpaid interest and premium is approximately US\$70.9 million (RMB517.1 million) if it is paid on the 15th business days after the date of this report (new maturity date as disclosed in Note 21 to the financial statements).
  - b. the Company has obtained approval by the shareholders at a Special General Meeting on February 26, 2025 to issue renounceable non-underwritten rights issue (the "Rights Issue") to raise up to a minimum of S\$99,460,767 (RMB533.6 million) in aggregate principal amount of convertible bond convertible up to a minimum of 397.8 million new conversion shares, with 7% coupon interest rate per annum. The convertible bonds will mature 5 years from the issue date of the Convertible Bonds. Management intends to use the estimated net proceeds from the Rights Issue of S\$98.4 million (RMB527.7 million), net of transaction cost of S\$1.1 million (RMB5.9 million) to fully repay the CBs by the maturity date.

Based on the above, barring any unforeseen circumstances and after taking into consideration the Group's present bank facilities, as well as the net proceeds from the Rights Issue, the working capital available to the Group is sufficient to meet its present requirements for at least the next 12 months from the date of authorisation of the financial statements. Consequently, the accompanying financial statements for the year ended December 31, 2024 have been prepared on a going concern basis as there is no material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue in the normal course of business for the foreseeable future.

# Notes to the Financial Statements

December 31, 2024

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### (a) Service concession arrangements

Under SFRS(I) INT 12 *Service Concession Arrangements*, revenue and cost are recognised during the construction phase based on the output method; and during the subsequent operating of facilities and supplying of steam and electricity. Intangible assets arise from cost incurred during the construction phase which are projected to be recoverable during the operating period. Significant estimates and judgement include the following:

- Projection of total revenue which can be billed to end users during the operating period.
- Evaluation of estimated profit margins for each of the construction and operating phases.
- Allocation of revenue between the construction and service elements of the project.
- Recoverable amount of intangible assets which represent cost recoverable from future operations.

Management has evaluated all aspects of the above estimates and considered that the estimates of intangible assets and the recognition of revenue and cost from the construction phase to be best estimates; and that the intangible assets will be recoverable. The revenue from service concession arrangements are disclosed in Note 27 to the financial statements.

#### (b) Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Based on the most current assessment, management is of the view that the loss allowances made for trade receivables and other receivables are adequate and the carrying amount of the trade receivables and other receivables as disclosed in Notes 8 and 9 of the financial statements are recoverable.

# Notes to the Financial Statements

December 31, 2024

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

### 3.2 Key sources of estimation uncertainty (cont'd)

(c) Recoverable amounts of inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of selling expenses.

Slow moving or aged inventories are identified by management. This is followed by an assessment of sales or usage prospects and a comparison of estimated net realisable values with carrying cost. Allowance is made for cost of inventories which are not expected to be recovered through usage or sales. Physical counts of inventories are carried out on a periodic basis and any identified defective inventory are written off.

Based on the most current assessment, management is of the view that the allowances made for inventories are adequate and the carrying amount of the inventories as disclosed in Note 10 to the financial statements is recoverable.

(d) Fair value measurement of convertible bonds

Due to the amendment agreement, the bond has been assessed to be substantially modified and hence it will be accounted for as an extinguishment of the original liability and recognition of the new liability and the convertible feature will be classified as equity. The initial carrying amount of the convertible bonds is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting the fair value of the liability component from the fair value of the instrument as a whole.

Management engaged a third-party qualified valuer to perform the valuation and works closely with the valuer to determine the appropriate valuation techniques and inputs for the valuation. In estimating the fair value of the entire convertible bonds and debt host, market-observable data is used to the extent it is available. Where Level 1 inputs are not available, management establishes inputs that are appropriate to the circumstances.

Management is of the view that the fair value of the revised CB approximates the carrying amount of the previous CB as the revised terms are negotiated with third party bondholders based on market terms. The Group had not adjusted for the fair value of the conversion feature as management is of the view that it is not material. The carrying amount of the convertible bonds are disclosed in Note 21 to the financial statements.

(e) Impairment of goodwill

As disclosed in Note 18, the recoverable amounts of the cash-generating units which goodwill has been allocated to are determined based on value in use calculations. The value in use calculations are based on a discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use are disclosed in Note 18 to the financial statements.

# Notes to the Financial Statements

December 31, 2024

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

### (a) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. Management ensures that all externally imposed financial covenants are complied with. As at the end of the reporting period, the Group is in compliance with all financial covenants for external borrowings.

The capital structure of the Group consists of equity, bank borrowings and convertible bonds. Management reviews the capital structure on an on-going basis. As a part of this review, management considers the cost of capital, the tenure and the risks associated with each class of capital.

The Group's overall strategy relating to capital management remains unchanged from prior year.

### (b) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	GROUP		COMPANY	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Financial assets</b>				
Financial assets at amortised cost	2,380,774	1,637,783	571,510	427,976
Financial assets at FVTOCI:				
Debt instruments classified as at FVTOCI	69,187	36,259	–	–
Equity instruments designated as at FVTOCI	2,577	2,142	–	–
Total	2,452,538	1,676,184	571,510	427,976
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	5,309,064	4,858,418	1,646,251	1,446,397
Lease liabilities	1,737	2,972	–	–
Total	5,310,801	4,861,390	1,646,251	1,446,397

### (c) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Group and the Company does not have any financial instruments which are subjected to offsetting under enforceable master netting arrangements or similar netting agreements.

### (d) Financial risk management policies and objectives

Management of the Group monitors and manages the financial risks relating to the operations of the Group to minimise the potential adverse effects of such risks on financial performance. These risks include market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. There has been no change to the Group's exposure to these risks and the manner in which it manages and measures the risk.

# Notes to the Financial Statements

December 31, 2024

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(d) Financial risk management policies and objectives (cont'd)

(i) Foreign exchange risk management

The carrying amounts of monetary assets and liabilities denominated in currencies other than the respective Group entities' functional currencies at the reporting date are as follows:

	2024		2023	
	US\$	S\$	US\$	S\$
	RMB'000	RMB'000	RMB'000	RMB'000
<b>GROUP</b>				
Cash and bank balances	398,953	1,184	474	2,843
Trade receivables other receivables	–	20	4	154
Trade and other payables	(6)	(2,909)	–	(2,255)
Convertible bonds	(1,080,311)	–	(973,845)	–
Total	(681,364)	(1,705)	(973,367)	742
<b>COMPANY</b>				
Cash and bank balances	398,556	169	174	800
Other receivables	–	–	4	100
Other payables	(307,587)	(15,689)	–	(1,428)
Convertible bonds	(1,080,311)	–	(973,845)	–
Total	(989,342)	(15,520)	(973,667)	(528)

### Foreign currency sensitivity

The following table details the sensitivity to a 5% change in exchange rate relative to RMB. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at December 31 and adjusts their translation at the period end for a 5% change in foreign currency rates.

A strengthening of the following foreign currencies by 5% relative to the RMB will increase (decrease) profits by the following amounts:

	US\$ IMPACT		S\$ IMPACT	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
<b>GROUP</b>	(34,068)	(48,668)	(85)	37
<b>COMPANY</b>	(49,467)	(48,683)	(776)	(26)

Conversely, a weakening of RMB by 5% relative to the above foreign currencies would have the opposite effect on profits.



# Notes to the Financial Statements

December 31, 2024

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

### (d) Financial risk management policies and objectives (cont'd)

#### (ii) Interest rate risk management

Interest rate risk is managed by maintaining a mix of fixed and floating rate borrowings. The Group currently does not have an interest rate hedging policy. However, management monitors exposures to variability in interest rates and will consider restructuring the Group's credit facilities should the need arise.

The Group's exposures to variability in interest rates are detailed in the liquidity risk management section set out below.

#### *Interest rate sensitivity*

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For variable-rate bank borrowings and the Company's loan to a subsidiary, the analysis is prepared assuming the amounts outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis points increase or decrease is used as it represents management's assessment of the possible change in interest rates.

If interest rate had been 100 basis points higher/lower and all other variables were held constant, the Group's profit would decrease/increase by RMB17,746,900 (2023: decrease/increase by RMB22,113,000) respectively.

#### (iii) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at December 31, 2024, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group's current credit risk grading framework comprises the following categories:

CATEGORY	DESCRIPTION	BASIS FOR RECOGNISING ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL.
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired.
In default	Amount is >180 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired.
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off.

# Notes to the Financial Statements

December 31, 2024

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

### (d) Financial risk management policies and objectives (cont'd)

The table below details the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	NOTE	INTERNAL CREDIT RATING	12-MONTH OR LIFETIME ECL/ INCURRED LOSS BASIS	GROSS CARRYING AMOUNT RMB'000	LOSS ALLOWANCE RMB'000	NET CARRYING AMOUNT RMB'000
<b>GROUP</b>						
<b>2024</b>						
Pledged bank deposits	7	Write-off	Write-off	216,042	(3,081)	212,961
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	1,074,421	(195,436)	878,985
Other receivables -Third parties	9	(ii)	Lifetime ECL (simplified approach)	72,296	(19,348)	52,948
Other receivables	9	Performing	12-month ECL	6,590	–	6,590
Compensation receivable from the government	9	Performing	12-month ECL	35,443	–	35,443
Notes receivables, at FVTOCI	12	Performing	12-month ECL	69,187	–	69,187
					(217,865)	
<b>2023</b>						
Pledged bank deposits	7	Write-off	Write-off	87,757	(3,081)	84,676
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	821,225	(8,192)	813,033
Other receivables -Third parties	9	(ii)	Lifetime ECL (simplified approach)	83,146	(14,687)	68,459
Other receivables	9	Performing	12-month ECL	766	–	766
Compensation receivable from the government	9	Performing	12-month ECL	7,759	–	7,759
Notes receivables, at FVTOCI	12	Performing	12-month ECL	36,259	–	36,259
					(25,960)	

# Notes to the Financial Statements

December 31, 2024

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(d) Financial risk management policies and objectives (cont'd)

	NOTE	INTERNAL CREDIT RATING	12-MONTH OR LIFETIME ECL/ INCURRED LOSS BASIS	GROSS CARRYING AMOUNT RMB'000	LOSS ALLOWANCE RMB'000	NET CARRYING AMOUNT RMB'000
<b>COMPANY</b>						
<b>2024</b>						
Other receivables	9	Performing	12-month ECL	172,784	–	172,784
<b>2023</b>						
Other receivables	9	Performing	12-month ECL	426,981	–	426,981

(i) For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated from historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Note 8 includes further details on the loss allowance for these assets.

(ii) For other receivables - third parties, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Note 9 includes further details on the loss allowance for these assets.

Other receivables of the Group and the Company are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition.

Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

(iii) Credit risk management

Upfront deposits are obtained where appropriate and progressive billings made for longer term contracts to mitigate the risk of financial loss from defaults. Credit exposure is controlled by credit limits that are reviewed and approved by management. Information on counterparties supplied by independent rating agencies where available, other publicly available financial information and the Group's own historical transactions with these counterparties are used to make decisions relating to credit granted to customers or advances made to suppliers. The Group's exposure to credit risk, concentration risk and the credit terms granted to counterparties are monitored continuously.

# Notes to the Financial Statements

December 31, 2024

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

### (d) Financial risk management policies and objectives (cont'd))

#### (iii) Credit risk management (cont'd)

The Group's credit risk primarily relates to the Group's trade and other receivables, trade prepayments and bank balances. Trade receivables account for 11% (2023 : 11%) of total assets. For contract related work, collection of debts including retention sums can involve extended period of time. Management closely monitors overdue trade debts. The recoverable amount of each individual trade debt is reviewed at the end of each reporting period. Such review takes into consideration the due date, the period the payment is overdue, the results of communications with debtors, adherence to installment payment plans or otherwise and current commercial information of debtors where available. Following the identification of slow payments, the responsible sales personnel discuss with the relevant customers and report on results of recovery actions and recovery prospects. Management is of the view that adequate allowance for doubtful debts has been made for irrecoverable amounts.

The five (2023 : five) largest customers accounted for approximately 77% (2023 : 85%) of the Group's total trade receivables as at December 31, 2024.

Other receivables account for 3% (2023 : 4%) of total assets. To minimise risk, trade prepayments are generally made to suppliers with good credit ratings and with good trading history with the Group. At December 31, 2024 and December 31, 2023, there was no concentration of credit risk with any particular supplier.

Bank balances are placed with reputable banking institutions in the People Republic of China ("PRC") and Singapore.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at end of the financial period in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the statement of financial position.

Further details of credit risks on trade and other receivables are disclosed in Notes 8 and 9 to the financial statements respectively.

#### (iv) Liquidity risk management

The Group maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows relative to expectations. Management monitors cash flows, utilisation of bank borrowings and compliance with financial covenants relating to credit facilities.

The Group has embarked on more service concession arrangements which involve substantial commitment of funds during the construction of infrastructure with cash inflows only after completion of infrastructure and delivering of utilities to end users.

Management reviewed the projected timing and amounts of cash inflows and outflows from the service concession arrangements and is of the view that the funding arrangements made are adequate for its needs and the Group will be able to discharge its obligations as and when they fall due.

See Note 3.1 for additional disclosures on going concern.

# Notes to the Financial Statements

December 31, 2024

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(d) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management (cont'd)

### Liquidity and interest risk analyses

Financial assets

The following table shows the cash flows (principal and interest where applicable) based on the contractual or expected maturity of financial assets. The adjustment column represents future interest which are not included in the carrying amounts of the financial asset in the statement of financial position.

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	ON DEMAND OR LESS THAN 1 YEAR RMB'000	MORE THAN 1 TO 5 YEARS RMB'000	ADJUSTMENT RMB'000	CARRYING AMOUNT RMB'000
<b>GROUP</b>					
<b>2024</b>					
Non-interest bearing	–	1,007,710	38,020	–	1,045,730
Variable interest rate	0.51	1,199,920	–	(6,073)	1,193,847
Fixed interest rate	1.24	215,607	–	(2,646)	212,961
Total		2,423,237	38,020	(8,719)	2,452,538
<b>2023</b>					
Non-interest bearing	–	928,418	–	–	928,418
Variable interest rate	0.28	664,947	–	(1,857)	663,090
Fixed interest rate	1.83	86,226	–	(1,550)	84,676
Total		1,679,591	–	(3,407)	1,676,184
<b>COMPANY</b>					
<b>2024</b>					
Non-interest bearing	–	172,784	–	–	172,784
Variable interest rate	0.01	398,730	–	(4)	398,726
Total		571,514	–	(4)	571,510
<b>2023</b>					
Non-interest bearing	–	426,981	–	–	426,981
Variable interest rate	0.25	997	–	(2)	995
Total		427,978	–	(2)	427,976



# Notes to the Financial Statements

December 31, 2024

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(d) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management (cont'd)

### Liquidity and interest risk analyses

#### Financial liabilities

The following table shows the cash flows of financial liabilities based on the earliest dates on which the Group and Company are required to pay. The table includes both interest and principal cash flows. The adjustment column represents future interest which are not included in the carrying amounts of financial liabilities carried in the statement of financial position.

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	ON DEMAND OR LESS THAN 1 YEAR RMB'000	MORE THAN 1 TO 5 YEARS RMB'000	MORE THAN 5 YEARS RMB'000	ADJUSTMENT RMB'000	CARRYING AMOUNT RMB'000
<b>GROUP</b>						
<b>2024</b>						
Non-interest bearing	–	565,981	–	–	–	565,981
Variable interest rate	3.77	560,613	1,215,826	189,116	(190,865)	1,774,690
Lease liabilities (fixed rate)	4.62	1,357	452	–	(72)	1,737
Fixed interest rate	8.49	2,350,880	720,728	101,624	(204,839)	2,968,393
Total		3,478,831	1,937,006	290,740	(395,776)	5,310,801
<b>2023</b>						
Non-interest bearing	–	501,247	–	–	–	501,247
Variable interest rate	4.96	930,339	1,401,356	492,141	(354,252)	2,469,584
Lease liabilities (fixed rate)	4.62	1,357	1,809	–	(194)	2,972
Fixed interest rate	5.63	435,766	1,693,936	–	(242,114)	1,887,588
Total	8.68	1,868,709	3,097,101	492,141	(596,560)	4,861,391
<b>COMPANY</b>						
<b>2024</b>						
Non-interest bearing	–	565,940	–	–	–	565,940
Fixed interest rate	10.25	1,080,311	–	–	–	1,080,311
		1,646,251	–	–	–	1,646,251
<b>2023</b>						
Non-interest bearing	–	472,552	–	–	–	472,552
Fixed interest rate	10.25	23,019	1,096,720	–	(145,894)	973,845
		495,571	1,096,720	–	(145,894)	1,446,397

# Notes to the Financial Statements

December 31, 2024

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

### (e) Fair value of financial assets and financial liabilities

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

	FAIR VALUE AS AT		FAIR VALUE HIERARCHY	VALUATION TECHNIQUE AND KEY INPUT	SIGNIFICANT UNOBSERVABLE INPUT	RELATIONSHIP OF UNOBSERVABLE INPUTS TO FAIR VALUE
	2024	2023				
	RMB'000	RMB'000				
Financial assets at fair value through other comprehensive income - unquoted equity shares	2,577	2,142	Level 3	Discounted cash flow	Discount rate taking into account the time value of money, inflation and the risk inherent in ownership of the asset or security interest being valued.	The higher the discount rate, the lower the fair value.
Financial assets at fair value through other comprehensive income - notes receivables	69,187	36,259	Level 3	Discounted cash flow method was used to capture the present value of the financial assets	Discount rate taking into account the time value of money.	The higher the discount rate, the lower the fair value.

# Notes to the Financial Statements

December 31, 2024

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

- (e) Fair value of financial assets and financial liabilities (cont'd)

***Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)***

Management considers that the carrying amounts of financial assets and financial liabilities of the Group and the Company recorded at amortised cost in the financial statements approximate their fair values as these are either of relatively short-term maturity or which effective interest rates instruments are close approximation of market interest rates at period end.

- (f) Fair value of guarantees given by the Company

Management considered the nature of the guarantees given by the Company to banks which have provided loans to a subsidiary (Note 20) and the reliance on assets of other subsidiaries as support for the financial guarantee and determined that there is no significant fair value of the guarantee to be accounted for by the Company.

## 5 RELATED PARTY TRANSACTIONS

The ultimate controlling party of the Group is Guo Hong Xin whose interest in the Company is held through his shareholdings in Allgreat Pacific Limited and Sunpower Business Group Pte. Ltd. Some of the Group's transactions and arrangements are with related parties and the effects of these, on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, receivable or repayable on demand and interest-free unless stated otherwise.

Related parties comprise entities over which two of the Company's directors have significant influence or control; and non-controlling shareholders of partially held subsidiaries (Note 14).

Significant related party transactions:

	GROUP	
	2024	2023
	RMB'000	RMB'000
Rental expenses	1,235	1,895
Reversal of other payable	19,739	–
Purchase of construction services	–	13,325
Purchase of catering services	525	122
Sale of services	–	4,465

The sales and purchases made are conducted on terms mutually agreed among the parties involved. The expenses charged are paid in accordance with the terms of the agreement entered into among the parties involved.

The nature and terms of transactions with related parties are reviewed by the Board of Directors.

# Notes to the Financial Statements

December 31, 2024

## 6 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	1,193,847	663,090	398,726	995

Cash and bank balances comprise cash held by the Group and the Company and short-term bank deposits with maturity of three months or less. The average interest rate is 0.51% (2023 : 0.28%) per annum.

## 7 PLEDGED BANK DEPOSITS

	GROUP	
	2024	2023
	RMB'000	RMB'000
Pledged bank deposits	212,961	84,676

The above deposits are pledged to banks to secure the Group's bank loans. The deposits earn fixed interest rate ranging from 0.10% to 3.40% (2023 : 0.15% to 3.40%) per annum.

## 8 TRADE RECEIVABLES

	GROUP	
	2024	2023
	RMB'000	RMB'000
Outside parties	1,074,421	821,165
Related parties (Note 5)	–	60
Loss allowance	(195,436)	(8,192)
Total	878,985	813,033

As at January 1, 2023, trade receivables from contracts with customers amounted to RMB638,123,000 (net of loss allowance of RMB1,651,000).

The credit period for trade receivables is 90 - 180 days (2023 : 90 – 180 days). These receivables are not secured by any collateral or credit enhancements. No interest is charged on the overdue trade receivables.

Loss allowance for trade receivables and contract assets has always been measured at an amount equal to lifetime expected credit losses ("ECL"). In 2024, the Group separated the ECL of trade receivables by two categories between traditional business (such as steam, heating and power generation), and power subsidy from biomass generation, as the risk profiles and business model differ. As the recovery rule of biomass subsidy differs from the receivables attributable to the Group's traditional business (the settlement of the biomass power subsidies being mainly based on the prevailing national policies set by the Ministry of Finance of the PRC without a contractual payment plan), the Group adopted different estimating rates for ECL allowance for the biomass subsidy receivables generated by the Group's business of biomass power.

# Notes to the Financial Statements

December 31, 2024

## 8 TRADE RECEIVABLES (CONT'D)

The ECL on trade receivables from traditional business and contract assets are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The ECL on biomass subsidy receivables are estimated with reference to the probability of default and loss given default benchmarks obtained from public credit rating agencies. The Group monitors changes in credit risk by tracking published external credit ratings, and reviews the rationality of biomass power subsidy ECL provision ratio regularly according to the recovery status.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of biomass subsidy receivables, trade receivables and contract assets based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on aging profile from invoice dates is not further distinguished between the Group's different customer base.

	GROUP						TOTAL RMB'000
	< 6 MONTHS	7 - 12 MONTHS	1 - 2 YEARS	2 - 3 YEARS	3 - 4 YEARS	>4 YEARS	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>2024</b>							
Boimass subsidy receivable:							
Expected credit loss rate	4%	4%	4%	4%	4%	4%	
Estimated total gross carrying amount at default	69,506	63,583	143,143	103,290	43,630	24,340	447,492
Lifetime ECL	(2,780)	(2,543)	(41,756)	(103,290)	(42,937)	(974)	(194,280)
							253,212
Others:							
Expected credit loss rate	0%	0 % - 5%	0% - 12.50%	1.50% - 50%	12.50% - 75%	50% - 100%	
Estimated total gross carrying amount at default	579,738	32,525	13,544	—	—	1,122	626,929
Lifetime ECL	-	-	(34)	—	—	(1,122)	(1,156)
							625,773
Total:							
Estimated total gross carrying amount at default	649,244	96,108	156,687	103,290	43,630	25,462	1,074,421
Lifetime ECL	(2,780)	(2,543)	(41,790)	(103,290)	(42,937)	(2,096)	(195,436)
							878,985



# Notes to the Financial Statements

December 31, 2024

## 8 TRADE RECEIVABLES (CONT'D)

	GROUP						
	< 6 MONTHS	7 - 12 MONTHS	1 - 2 YEARS	2 - 3 YEARS	3 - 4 YEARS	>4 YEARS	TOTAL
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2023							
Boimass subsidy receivable:							
Expected credit loss rate	0%	0 % - 5%	0% - 12.50%	1.50% - 50%	12.50% - 75%	50% - 100%	
Estimated total gross carrying amount at default	72,778	69,863	103,259	16,901	16,219	2,892	281,912
Lifetime ECL	–	–	(259)	(1,056)	(4,055)	(2,169)	(7,539)
							274,373
Others:							
Expected credit loss rate	–	0 % - 5%	0% - 12.50%	1.50% - 50%	12.50% - 75%	50% - 100%	
Estimated total gross carrying amount at default	535,118	3,216	198	268	–	513	539,313
Lifetime ECL	–	–	–	(268)	–	(385)	(653)
							538,660
Total:							
Estimated total gross carrying amount at default	607,896	73,079	103,457	17,169	16,219	3,405	821,225
Lifetime ECL	–	–	(259)	(1,324)	(4,055)	(2,554)	(8,192)
							813,033

# Notes to the Financial Statements

December 31, 2024

## 8 TRADE RECEIVABLES (CONT'D)

The table below shows the movement in lifetime ECL that has been recognised for biomass subsidy receivables, trade receivables and contract assets in accordance with the simplified approach set out in SFRS(I) 9:

	LIFETIME ECL CREDIT-IMPAIRED		TOTAL RMB'000
	INDIVIDUALLY ASSESSED	COLLECTIVELY ASSESSED	
	RMB'000	RMB'000	
<b>GROUP</b>			
Balance as at January 1, 2023	268	1,383	1,651
Change in loss allowance due to deteriorating trade receivable ageing bracket, net of those derecognised due to settlement	–	6,541	6,541
Balance as at December 31, 2023	268	7,924	8,192
Change in loss allowance due to existing trade receivables originated	184,851	–	184,851
Change in loss allowance due to the recovery of trade receivables	–	(6,532)	(6,532)
Change in loss allowance due to deteriorating trade receivable ageing bracket, net of those derecognised due to settlement	–	9,193	9,193
Write-off of bad debts	(268)	–	(268)
Balance as at December 31, 2024	184,851	10,585	195,436

# Notes to the Financial Statements

December 31, 2024

## 9 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Advance payments for purchases	11,728	21,852	872	102
Prepayment for BOT projects	27,518	35,994	–	–
Deposits and prepayments	23,850	10,012	–	–
Third parties	72,296	83,146	–	–
Subsidiaries (Note 14)	–	–	170,478	424,675
Advances to staff	1,576	1,623	–	–
Input tax recoverable	109,694	146,863	–	–
Contract acquisition cost	6,127	6,364	–	–
Compensation receivable from the government	35,443	7,759	–	–
Others	6,590	766	2,306	2,306
Total	294,822	314,379	173,656	427,083
Less:				
Loss allowance	(19,348)	(14,687)	–	–
Net	275,474	299,692	173,656	427,083
Presentation on statement of financial position:				
Current assets	191,826	249,575	173,656	427,083
Non-current assets	83,648	50,117	–	–
Total	275,474	299,692	173,656	427,083

Included in amounts due from subsidiaries are loans to subsidiaries as follows:

- Loan to a subsidiary amounting to RMB114,000,000 (2023 : RMB194,000,000). The loan is non-trade in nature, unsecured, interest-free and is repayable on February, 28, 2025.
- Loan to a subsidiary amounting to RMB Nil (2023 : RMB129,660,000). The loan is non-trade in nature, unsecured, interest-free and is repayable on demand.

The remaining amount due from subsidiaries are unsecured, interest-free and repayable on demand.

Staff advances were non-trade in nature, unsecured, interest-free and repayable on demand.

Loss allowance for other receivables – third parties has always been at an amount equal to lifetime ECL.

Other receivables excluding third parties of the Group and the Company are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

# Notes to the Financial Statements

December 31, 2024

## 9 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

The ECL on other receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The table below shows the movements in lifetime ECL that has been recognised for other receivables in accordance with the simplified approach set out in SFRS(I) 9:

	LIFETIME ECL - CREDIT- IMPAIRED RMB'000
<b>GROUP</b>	
Balance as at January 1, 2023	4,680
Amounts written off	(649)
Change in loss allowance due to new other receivables originated, net of those derecognised due to settlement	10,656
Balance as at December 31, 2023	14,687
Amounts recovered	(1,827)
Change in loss allowance due to deteriorating other receivable ageing bucket, net of those derecognised due to settlement	6,488
Balance as at December 31, 2024	19,348

## 10 INVENTORIES

	GROUP	
	2024 RMB'000	2023 RMB'000
Raw materials and consumables	167,011	138,028

Inventories are stated net of allowance.

	GROUP	
	2024 RMB'000	2023 RMB'000
Movements in allowance for inventories:		
At beginning of year	508	1,759
Credit to profit or loss	–	(1,251)
At end of year	508	508

# Notes to the Financial Statements

December 31, 2024

## 11 PROPERTY, PLANT AND EQUIPMENT

				FURNITURE, FIXTURES AND MOTOR VEHICLES	CONSTRUCTION -IN-PROGRESS	TOTAL
	BUILDINGS	LEASEHOLD IMPROVEMENTS	PLANT AND MACHINERY	EQUIPMENT		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>GROUP</b>						
Cost:						
At January 1, 2023	290,123	24,575	417,244	13,934	13,668	817,782
Additions	108	315	1,210	6,287	2,259	40,918
Transfers	1,897	–	18,950	157	–	(21,004)
Transfer to intangible assets	(277)	–	(63,020)	(640)	–	(63,937)
Transfer to compensation receivable from the government	–	–	–	–	–	(41,135)
Disposals	–	–	(1,097)	(176)	(85)	(106)
At December 31, 2023	291,851	24,890	373,287	19,562	15,842	752,164
Additions	2,447	–	3,124	1,749	946	26,485
Transfers	8,969	–	38,575	1,187	–	(48,731)
Disposals	–	–	(4,327)	(973)	(713)	(611)
At December 31, 2024	303,267	24,890	410,659	21,525	16,075	3,875
Accumulated depreciation:						
At January 1, 2023	53,926	819	117,353	8,046	5,199	–
Depreciation	6,906	101	36,901	2,990	1,256	–
Transfer to intangible assets	–	–	(136)	(165)	–	–
Disposals	–	–	(553)	(140)	(83)	–
At December 31, 2023	60,832	920	153,565	10,731	6,372	–
Depreciation	5,843	146	41,969	2,393	983	–
Disposals	–	–	(3,255)	(559)	(593)	–
At December 31, 2024	66,675	1,066	192,279	12,565	6,762	–
Impairment loss:						
At January 1, 2023	–	–	–	–	–	–
Impairment loss	–	–	–	–	–	2,116
At December 31, 2023	–	–	–	–	–	2,116
Impairment loss	–	–	–	–	–	633
At December 31, 2024	–	–	–	–	–	2,749
Carrying amount:						
At December 31, 2024	236,592	23,824	218,380	8,960	9,313	1,126
At December 31, 2023	231,019	23,970	219,722	8,831	9,470	24,616

At the end of the reporting period, buildings and plant and machinery with carrying amount of RMB341,478,000 (2023 : RMB423,603,000) are pledged to secure banking facilities and loans granted to the Group.



# Notes to the Financial Statements

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## 12 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	GROUP	
	2024	2023
	RMB'000	RMB'000
Investments in equity instruments designated as at FVTOCI:		
Unquoted equity shares	2,577	2,142
Investments in debt instruments classified as at FVTOCI:		
Notes receivables	69,187	36,259
Total financial assets at FVTOCI	71,764	38,401
Presentation on statement of financial position:		
Current assets	69,187	36,259
Non-current assets	2,577	2,142
Total	71,764	38,401

### *Investments in equity instruments*

These investments in equity instruments are not held for trading. Instead they are held for medium to long-term strategic purposes. Accordingly, management has elected to designate these investments in equity instruments as at FVTOCI as management believes that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

### *Investments in debt instruments*

Note receivables represent promissory notes that give the Group the right to receive cash on or before a specific future date, and such notes are received from customers as settlement of trade receivables. The notes receivables are held by the Group within a business model whose objective is both to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding and to sell these financial assets. Hence, the notes receivables are classified as at FVTOCI.

For purpose of impairment assessment, the notes receivables are considered to have low credit risk as they are held with financial institutions with sound credit ratings. Accordingly, management believes that there is no loss allowance required. The Group holds no collateral over these notes. For the purpose of impairment assessment for these debts instruments, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of these debt instruments obtained from economic expert reports, financial analysts reports and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

# Notes to the Financial Statements

December 31, 2024

## 13 RIGHT-OF-USE ASSETS

The Group leases buildings. The average lease term is ranging from 2 to 5 years, where the Group make periodic lease payments, which are used for its day to day operations.

	LAND USE RIGHTS RMB'000	BUILDINGS RMB'000	TOTAL RMB'000
<b>GROUP</b>			
Cost:			
At January 1, 2023	263,747	8,396	272,143
Disposal	–	(2,072)	(2,072)
At December 31, 2023 and 2024	263,747	6,324	270,071
Accumulated depreciation:			
At January 1, 2023	31,862	2,798	34,660
Depreciation for the year	4,608	1,541	6,149
Disposal	–	(967)	(967)
At December 31, 2023	36,470	3,372	39,842
Depreciation for the year	5,689	1,265	6,954
At December 31, 2024	42,159	4,637	46,796
Carrying amount:			
At December 31, 2024	221,588	1,687	223,275
At December 31, 2023	227,277	2,952	230,229

Land use rights relates to upfront payments made to acquire land leases in China.

At the end of the reporting period, land use rights with carrying amount of RMB129,257,000 (2023 : RMB73,064,000) are pledged to secure banking facilities granted to the subsidiaries.

## 14 SUBSIDIARIES

	COMPANY	
	2024 RMB'000	2023 RMB'000
Unquoted equity shares, at cost	606,285	606,285
Financial guarantee contracts	1,850	1,850
Amount due from subsidiaries	306,244	306,244
Total	914,379	914,379

Amount due from subsidiaries is unsecured, interest-free and not expected to be repayable within one year and is considered to be equity in nature.

# Notes to the Financial Statements

December 31, 2024

## 14 SUBSIDIARIES (CONT'D)

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in these financial statements.

Details of the subsidiaries are as follows:

SUBSIDIARIES	COST OF INVESTMENTS		EFFECTIVE EQUITY INTEREST AND VOTING POWER HELD		PLACE OF INCORPORATION/ OPERATION	PRINCIPAL ACTIVITIES
	2024	2023	2024	2023		
	RMB'000	RMB'000	%	%		
Held by Company:						
Sunpower International Holding (Singapore) Pte. Ltd.	606,285	606,285	100	100	Singapore	Investment holding.
Sun Superior Holding Pte. Ltd.	*	*	—	100	Singapore	Investment holding.
Held by subsidiaries:						
Changle Sunpower Clean Energy Co., Ltd. (Shares held by Sunpower Clean Energy Investment (Jiangsu) Co., Ltd.) <sup>(1)</sup>	—	—	—	100	PRC	Investment in clean energy business related activities.
Changyi Sunpower Clean Energy Co., Ltd. (Shares held by Sunpower Clean Energy Investment (Jiangsu) Co., Ltd.) <sup>(1)</sup>	—	—	—	100	PRC	Investment in clean energy business related activities.
Changshu Suyuan Thermal Power Co., Ltd. (Shares held by Jiangsu Sunpower Clean Energy Co., Ltd.)	—	—	90	90	PRC	Provision of heat and electricity to enterprises.
Dingyuan Sunpower Clean Energy Co., Ltd. (Shares held by Sunpower Clean Energy Investment (Jiangsu) Co., Ltd.) <sup>(1)</sup>	—	—	—	100	PRC	Provision of heat and electricity to enterprises.
Fuzhou Sunpower Jiaoneng Thermal Power Co., Ltd. (Shares held by Jiangsu Sunpower Clean Energy Co., Ltd.) <sup>(1)</sup>	—	—	—	70	PRC	Heat and electricity production and supply.
Gaoyang Changrun Heat Supply Co., Ltd. (Shares held by Hebei Changrun Environmental Ltd.)	—	—	100	100	PRC	Supply of heat and electricity.
Hebei Changrun Environmental Ltd. (Shares held by Jiangsu Sunpower Clean Energy Co., Ltd.)	—	—	100	100	PRC	Central heating and power generation.

# Notes to the Financial Statements

December 31, 2024

## 14 SUBSIDIARIES (CONT'D)

SUBSIDIARIES	COST OF INVESTMENTS		EFFECTIVE EQUITY INTEREST AND VOTING POWER HELD		PLACE OF INCORPORATION/ OPERATION	PRINCIPAL ACTIVITIES
			2024	2023		
	2024 RMB'000	2023 RMB'000	2024 %	2023 %		
Held by subsidiaries: (cont'd)						
Jiangsu Sunpower Electricity Sales Co., Ltd. (Shares held by Jiangsu Sunpower Clean Energy Co., Ltd. and Zhangjiagang Yongxing Thermal Power Co., Ltd)	–	–	100	100	PRC	Provision of electricity.
Jiangsu Sunpower Clean Energy Co., Ltd. (Shares held by Sunpower Clean Energy Investment (Jiangsu) Co., Ltd.)	–	–	100	100	PRC	Investment in clean energy business related activities.
Jiangsu Sunpower Smart Energy Co., Ltd. (Shares held by Sunpower International Holding (Singapore) Pte. Ltd.)	–	–	100	100	PRC	Thermal production and supply.
Nanjing Sunpower Smart Energy Technology Co., Ltd. (Shares held by Sunpower International Holding (Singapore) Pte. Ltd.)	–	–	100	100	PRC	Energy-saving and Environmental Protection technology research.
Lianshui Sunpower Clean Energy Co., Ltd. (Shares held by Sunpower Clean Energy Investment (Jiangsu) Co., Ltd. and Jiangsu Sunpower Clean Energy Co., Ltd.)	–	–	95	95	PRC	Supply of steam, heat gas and electricity.
Qingdao Xinyuan Thermal Power Co., Ltd. (Shares held by Jiangsu Sunpower Clean Energy Co., Ltd.)	–	–	85	85	PRC	Supply of steam, heat and electricity.
Qingdao Sunpower Thermal Co., Ltd. (Shares held by Jiangsu Sunpower Clean Energy Co., Ltd.)	–	–	100	100	PRC	Provision of steam to industrial enterprises and sale of electricity.
Quanjiao Sunpower Clean Energy Co. Ltd. (Shares held by Jiangsu Sunpower Clean Energy Co. Ltd.)	–	–	100	100	PRC	Supply steam/heat gas to enterprises.

# Notes to the Financial Statements

December 31, 2024

## 14 SUBSIDIARIES (CONT'D)

SUBSIDIARIES	COST OF INVESTMENTS		EFFECTIVE EQUITY INTEREST AND VOTING POWER HELD		PLACE OF INCORPORATION/ OPERATION	PRINCIPAL ACTIVITIES
			2024	2023		
	2024 RMB'000	2023 RMB'000	%	%		
Held by subsidiaries: (cont'd)						
Ruijin Sunpower Clean Energy Co., Ltd. (Shares held by Sunpower Clean Energy Investment (Jiangsu) Co., Ltd.)	–	–	100	100	PRC	Provision of heat and electricity to enterprises.
Shantou Sunpower Keying Thermal Co., Ltd. (Shares held by Jiangsu Sunpower Clean Energy Co., Ltd.)	–	–	51	51	PRC	Supply of steam and electricity.
Sunpower Clean Energy Investment (Jiangsu) Co., Ltd. (Shares held by Sunpower International Holding (Singapore) Pte. Ltd.)	–	–	100	100	PRC	Environment and new energy related business activities.
Suzhou Sunpower Smart New Energy Co., Ltd. (Shares held by Jiangsu Sunpower Clean Energy Co., Ltd.) <sup>(1)</sup>	–	–	–	100	PRC	Provision of steam to industrial enterprises and sale of electricity.
Tongling Sunpower Clean Energy Co., Ltd. (Shares held by Jiangsu Sunpower Clean Energy) Co., Ltd.) <sup>(1)</sup>	–	–	–	100	PRC	Provision of heat and electricity to enterprises.
Wuhu Sunpower Clean Energy Co., Ltd. (Shares held by Jiangsu Sunpower Clean Energy) Co., Ltd.) <sup>(1)</sup>	–	–	–	100	PRC	Provision of heat and electricity to enterprises.
Xinjiang Sunpower Clean Energy Co., Ltd. (Shares held by Jiangsu Sunpower Clean Energy Co., Ltd.)	–	–	100	100	PRC	Supply of heat and electricity.
Xintai Zhengda Thermoelectric Co., Ltd. (Shares held by Jiangsu Sunpower Clean Energy Co., Ltd.)	–	–	91.73	86.90	PRC	Provision of steam and heat and sale of electricity.
Xuzhou Sunpower Clean Energy Co., Ltd. (Shares held by Sunpower Clean Energy Investment (Jiangsu) Co., Ltd.)	–	–	100	100	PRC	Provision of heat and electricity to enterprises.



# Notes to the Financial Statements

December 31, 2024

## 14 SUBSIDIARIES (CONT'D)

SUBSIDIARIES	COST OF INVESTMENTS		EFFECTIVE EQUITY INTEREST AND VOTING POWER HELD		PLACE OF INCORPORATION/ OPERATION	PRINCIPAL ACTIVITIES
	2024	2023	2024	2023		
	RMB'000	RMB'000	%	%		
Held by subsidiaries: (cont'd)						
Yueyang Sunpower Clean Energy Co., Ltd. (Shares held by Sunpower Clean Energy Investment (Jiangsu) Co., Ltd.) <sup>(1)</sup>	–	–	–	100	PRC	Provision of heat and electricity to enterprises.
Zhangjiagang Yongxing Thermal Power Co., Ltd. (Shares held by Jiangsu Sunpower Clean Energy Co., Ltd.)	–	–	100	100	PRC	Provision of steam to industrial enterprises and sale of electricity.
Zhoukou Sunpower Clean Energy Co., Ltd. (Zhoukou Sunpower Clean Energy Co., Ltd (Shares held by Sunpower Clean Energy Investment (Jiangsu) Co., Ltd.)) <sup>(1)</sup>	–	–	–	51	PRC	Provision of steam to industrial enterprises and sale of electricity.
Xuzhou Sunpower Thermal Power Co., Ltd.	–	–	100	100	PRC	Provision of heat and electricity to enterprises.

\* Cost of investment amounted to S\$1.00 (equivalent to RMB5.07).

(1) Struck off in 2024.

The Company and subsidiaries are audited/reviewed by Deloitte Touche Tohmatsu CPA LLP, Nanjing Branch for consolidation purposes.

Information about the composition of the Group at the end of the financial year is as follows:

PRINCIPAL ACTIVITY	PLACE OF INCORPORATION AND OPERATION	NUMBER OF SUBSIDIARIES	
		2024	2023
Held by Company:			
Investment holding	Singapore	1	2
Held by subsidiaries:			
Central heating and power generation	PRC	1	1
Environment and new energy-related business activities	PRC	2	4
Provision of design, consultancy and technology services	PRC	1	1
Supply of steam/heat/electricity	PRC	15	23
		20	31

# Notes to the Financial Statements

December 31, 2024

## 14 SUBSIDIARIES (CONT'D)

### Details of subsidiaries with material non-controlling interest

The table below shows details of non-wholly owned subsidiaries of the Group with material non-controlling interest:

NAME OF SUBSIDIARIES	PLACE OF INCORPORATION AND OPERATION	PROPORTION OF OWNERSHIP INTERESTS AND VOTING RIGHTS HELD BY NON-CONTROLLING INTERESTS		PROFIT (LOSS) ALLOCATED TO NON-CONTROLLING INTERESTS		ACCUMULATED NON-CONTROLLING INTERESTS	
		2024	2023	2024	2023	2024	2023
		%	%	RMB'000	RMB'000	RMB'000	RMB'000
Shantou Sunpower Keying Thermal Power Co., Ltd	PRC	49.0	49.0	123,567	92,132	444,454	320,887
Qingdao Xinyuan Thermal Power Co., Ltd	PRC	15.0	15.0	2,347	54	36,829	34,482
Xintai Zhengda Thermoelectric Co.,Ltd	PRC	8.3	13.1	(4,600)	(367)	10,272	20,879
Changshu Suyuan Thermal Power Co., Ltd	PRC	10.0	10.0	3,057	796	34,357	33,300
Individually immaterial subsidiaries with non-controlling interests				604	95	3,285	2,681
				124,975	92,710	529,197	412,229

# Notes to the Financial Statements

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## 14 SUBSIDIARIES (CONT'D)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	SHANTOU SUNPOWER KEYING THERMAL POWER CO., LTD		QINGDAO XINYUAN THERMAL POWER CO., LTD	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	816,311	533,071	294,873	190,748
Non-current assets	1,260,018	1,315,247	209,806	198,271
Current liabilities	(554,438)	(397,380)	(118,650)	(138,385)
Non-current liabilities	(614,841)	(796,066)	(140,503)	(20,756)
Equity attributable to owners of the Company	462,596	333,985	208,697	195,396
Non-controlling interests	444,454	320,887	36,829	34,482
Revenue	1,312,616	1,235,115	276,021	195,196
Expenses	(1,060,438)	(1,047,091)	(260,373)	(194,836)
Profit for the year, representing total comprehensive income for the year	252,178	188,024	15,648	360
<i>Profit attributable to owners of the Company</i>	128,611	95,892	13,301	306
Profit attributable to the non-controlling interests	123,567	92,132	2,347	54
Profit for the year	252,178	188,024	15,648	360
Total comprehensive income attributable to owners of the Company	128,611	95,892	13,301	306
Total comprehensive income attributable to the non-controlling interests	123,567	92,132	2,347	54
Total comprehensive income for the year	252,178	188,024	15,648	360
Net cash inflow (outflow) from operating activities	461,149	219,703	(144,594)	29,734
Net cash outflow from investing activities	(30,447)	(95,773)	(8,973)	(54,675)
Net cash (outflow) inflow from financing activities	(153,629)	(146,952)	132,732	8,932
Net cash (outflow) inflow	277,073	(23,022)	(20,835)	(16,009)

# Notes to the Financial Statements

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## 14 SUBSIDIARIES (CONT'D)

	XINTAI ZHENGDA THERMOELECTRIC CO., LTD		CHANGSHU SUYUAN THERMAL POWER CO., LTD	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	333,839	334,624	110,967	70,181
Non-current assets	765,485	773,474	404,716	412,805
Current liabilities	(670,049)	(592,833)	(111,401)	(90,065)
Non-current liabilities	(310,681)	(355,886)	(60,718)	(59,925)
Equity attributable to owners of the Company	108,322	138,500	309,207	299,696
Non-controlling interests	10,272	20,879	34,357	33,300
Revenue	384,264	345,045	193,007	181,341
Expenses	(419,385)	(347,847)	(162,439)	(173,381)
(Loss) Profit for the year	(35,121)	(2,802)	30,568	7,960
Other comprehensive (loss) income	326	(226)	–	30
Total comprehensive (loss) income for the year	(34,795)	(3,028)	30,568	7,990
<i>(Loss) Profit attributable to owners of the Company</i>	(30,521)	(2,435)	27,511	7,164
(Loss) Profit attributable to the non-controlling interests	(4,600)	(367)	3,057	796
(Loss) Profit for the year	(35,121)	(2,802)	30,568	7,960
Total comprehensive (loss) income attributable to owners of the Company	(30,178)	(2,631)	27,511	7,194
Total comprehensive (loss) income attributable to the non-controlling interests	(4,617)	(397)	3,057	796
Total comprehensive (loss) income for the year	(34,795)	(3,028)	30,568	7,990
Dividend paid to non-controlling interests	–	–	(2,000)	–
Net cash (outflow) inflow from operating activities	101,380	(81,164)	63,822	8,972
Net cash outflow from investing activities	(1,651)	(11,258)	(4,014)	(2,941)
Net cash inflow (outflow) from financing activities	(78,845)	126,071	(53,745)	(11,444)
Net cash inflow (outflow)	20,884	33,649	6,063	(5,413)

# Notes to the Financial Statements

December 31, 2024

## 15 ASSOCIATES

	GROUP	
	2024	2023
	RMB'000	RMB'000
Unquoted equity shares	48,566	48,566
Share of post-acquisition results	16,905	10,383
	65,471	58,949

Details of the associates are as follows:

NAME OF ASSOCIATE	PRINCIPAL ACTIVITIES/PLACE OF INCORPORATION AND OPERATION	EFFECTIVE INTEREST AND VOTING POWER HELD	
		2024	2023
		%	%
Jining Mining Industry Sunpower Clean Energy Development Co., Ltd <sup>(1)</sup>	New energy development and utilisation business activities/PRC.	49.0	49.0
Suzhou Green Bright Renewable Energy Co., Ltd. <sup>(2)</sup>	New energy development and utilisation business activities/PRC.	28.0	28.0

(1) Audited by Zhongxi CPAS (Special General Partnership), PRC. Not material for Group's consolidation purposes.

(2) Not material for Group's consolidation purpose.

The following summarised financial information of Jining Mining Industry Sunpower Clean Energy Development Co.,Ltd. is presented before intragroup eliminations:

	GROUP	
	2024	2023
	RMB'000	RMB'000
Current assets	21,733	26,661
Non-current assets	164,030	162,365
Current liabilities	(17,429)	(22,216)
Non-current liabilities	(62,685)	(75,159)
Net assets	105,649	91,651
Group's share of associates' net assets	51,768	44,909



# Notes to the Financial Statements

December 31, 2024

## 15 ASSOCIATES (CONT'D)

	GROUP	
	2024	2023
	RMB'000	RMB'000
Revenue	81,579	67,601
Profit for the year	13,998	13,604
Group's share of associates' profit for the year	6,859	6,666

The following summarised financial information of Suzhou Green Bright renewable energy Co., Ltd. presented before intragroup eliminations:

	GROUP	
	2024	2023
	RMB'000	RMB'000
Current assets	35,523	1,453
Non-current assets	295,782	188,937
Current liabilities	(45,526)	(3,423)
Non-current liabilities	(236,841)	(136,826)
Net assets	48,938	50,141
Group's share of associates' net assets	13,703	14,039

	GROUP	
	2024	2023
	RMB'000	RMB'000
Revenue	30,866	–
Loss for the year	(1,203)	(5,728)
Group's share of associates' loss for the year	(337)	(1,604)

# Notes to the Financial Statements

December 31, 2024

## 16 INTANGIBLE ASSETS

	TECHNICAL KNOW-HOW	SERVICE CONCESSION ARRANGEMENTS	LICENSES	TOTAL
	RMB'000	RMB'000	RMB'000	RMB'000
<b>GROUP</b>				
Cost:				
At January 1, 2023	96	4,118,393	627,929	4,746,418
Additions	–	136,609	–	136,609
Transfer from PPE	–	63,937	–	63,937
At December 31, 2023	96	4,318,939	627,929	4,946,964
Additions	–	105,534	–	105,534
At December 31, 2024	96	4,424,473	627,929	5,052,498
Accumulated amortisation:				
At January 1, 2023	96	351,922	71,592	423,610
Transfer from PPE	–	301	–	301
Amortisation for the year	–	169,407	17,869	187,276
At December 31, 2023	96	521,630	89,461	611,187
Amortisation for the year	–	194,854	17,687	212,541
At December 31, 2024	96	716,484	107,148	823,728
Carrying amount:				
At December 31, 2024	–	3,707,989	520,781	4,228,770
At December 31, 2023	–	3,797,309	538,468	4,335,777

At the end of the reporting period, service concession arrangements with carrying amount of RMB2,605,092,000 (2023 : RMB1,682,140,000) are pledged to secure loans granted to the Group.

The Group entered into service concession agreements with the local government authorities (the “Grantors”), pursuant to the construction and operation of centralised steam and electricity facilities during the concession period of up to 38.5 years, starting from the commencement date of commercial operation.

Revenue from service concession agreements (Note 27) represents the revenue recognised during the construction stage. The material accounting policies and the significant accounting estimates relating to service concession arrangements are set out on Notes 2 and 3.2(a) to the financial statements respectively.

# Notes to the Financial Statements

December 31, 2024

## 16 INTANGIBLE ASSETS (CONT'D)

Service concession arrangements comprise the following:

NAME OF SUBSIDIARY AS OPERATOR	NAME OF PROJECT	LOCATION IN PRC	NAME OF GRANTOR	TYPE OF SERVICE CONCESSION AGREEMENT	SERVICE CONCESSION PERIOD
Quanjiao Sunpower Clean Energy Co., Ltd.)	Quanjiao	Anhui Quanjiao Economic Development Zone, Chuzhou City	Administration Commission of Quanjiao Economic Development Zone	BOT	30 years
Hebei Changrun Environmental Ltd.	Changrun	Hebei Gaoyang Economic Development Zone	Administration Commission of Hebei Gaoyang Economic Development Zone	BOT	30 years
Lianshui Sunpower Clean Energy Co., Ltd.	Lianshui	Lianshui Economic Development Zone	Administration Commission of Jiangsu Lianshui Economic Development Zone	BOT	Not more than 30 years from year 2016
Shantou Sunpower Keying Thermal Power Co., Ltd.	Shantou	Guangdong Shantou Chaonan Zone	Environmental Protection Comprehensive Management Center of Chaonan District, Shantou City for Textile Printing & Dyeing	BOT	38.5 years
Xintai Zhengda Thermoelectric Co., Ltd.	Xintai	Xintai Xinpu District	Subdistrict office of Xintai Xinpu District	BOT	30 years
Xuzhou Sunpower Clean Energy Co., Ltd.	Tongshan	Xuzhou Tongshan District	Government of Xuzhou Tongshan District	BOT	30 years
Xinjiang Sunpower Clean Energy Co., Ltd	Xinjiang	Shanxi Xinjiang	Government of Xin Jiang District	BOT	30 years
Qingdao Xinyuan Thermal Power Co., Ltd.	Xinyuan	Qingdao Xinyuan	Jimo International Mall Management Committee	BOT	30 years

# Notes to the Financial Statements

December 31, 2024

## 17 DEFERRED TAX ASSETS (LIABILITIES)

	GROUP	
	2024	2023
	RMB'000	RMB'000
(a) Deferred tax assets		
At beginning of year	34,010	31,932
Credit to profit or loss	41,979	2,033
(Debit) Credit to other comprehensive income for the year	(41)	45
At end of year	75,948	34,010

# Notes to the Financial Statements

December 31, 2024

## 17 DEFERRED TAX ASSETS (LIABILITIES) (CONT'D)

The following are the major deferred tax assets recognised by the Group, and the movements thereon, during the current and prior reporting period:

	LOSS ALLOWANCE	ALLOWANCE FOR INVENTORIES	GOVERNMENT GRANT RELATED ASSETS	TAX LOSS AND TAX ALLOWANCE	FAIR VALUE CHANGE ON INVESTMENT IN EQUITY	FAIR VALUE CHANGE ON INVESTMENT IN DEBT	TOTAL
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023	1,556	440	10,055	19,015	455	411	31,932
Credit (Charge) to profit or loss for the year	4,136	41	4,337	(6,481)	-	-	2,033
Credit (Charge) to other comprehensive income for the year	-	-	-	-	76	(31)	45
At December 31, 2023	5,692	481	14,392	12,534	531	380	34,010
Credit (Charge) to profit or loss for the year	31,923	(249)	(342)	10,647	-	-	41,979
Credit (Charge) to other comprehensive income for the year	-	-	-	-	(108)	67	(41)
At December 31, 2024	37,615	232	14,050	23,181	423	447	75,948



# Notes to the Financial Statements

December 31, 2024

## 17 DEFERRED TAX ASSETS (LIABILITIES) (CONT'D)

The tax losses and tax allowance carryforwards from PRC entities will expire after 5 years from the date of tax losses and tax allowance incurred. The deferred tax amount of tax losses and tax allowances carryforwards that will expire in the next 5 years are as follows:

	GROUP	
	2024 RMB'000	2023 RMB'000
In 1 year	–	–
In 2 years	–	–
In 3 years	31,494	–
In 4 years	14,519	35,617
In 5 years	46,711	14,519

	GROUP	
	2024 RMB'000	2023 RMB'000
(b) Deferred tax liabilities		
At beginning of year	217,460	225,666
(Credit) Charge to profit or loss	(464)	(8,206)
At end of year	216,996	217,460

The following are the major deferred tax liabilities recognised by the Group, and the movements thereon, during the current and prior reporting period:

	PRC WITHHOLDING TAX RMB'000	FAIR VALUE GAIN ON ASSETS ACQUIRED THROUGH ACQUISITION OF SUBSIDIARIES RMB'000	PORTION OF CONSTRUCTION MARGIN FOR BOT PROJECT YET TO BE SUBJECT TO CURRENT TAX RMB'000	ACCELERATED TAX DEPRECIATION RMB'000	TOTAL RMB'000
At January 1, 2023	8,866	191,986	17,458	7,356	225,666
(Credit) Charge to profit or loss for the year	(7,188)	(985)	393	(426)	(8,206)
At December 31, 2023	1,678	191,001	17,851	6,930	217,460
(Credit) Charge to profit or loss for the year	(309)	(3,627)	614	2,858	(464)
At December 31, 2024	1,369	187,374	18,465	9,788	216,996

The PRC withholding tax relates to the estimated amount of retained earnings that the Group may remit out of PRC to pay expenses or dividends. No deferred tax liability is recognised on temporary differences of approximately RMB30,210,000 (2023 : RMB29,582,000) relating to the remaining unremitted earnings of RMB604,207,000 (2023 : RMB591,648,000) of overseas subsidiaries as the Group is able to control the timings of the reversal of these temporary differences and it is probable they will not reverse in the foreseeable future. Temporary difference arising in connection with interest in associate is insignificant.

# Notes to the Financial Statements

December 31, 2024

## 18 GOODWILL

Goodwill is allocated to each cash generating units ("CGU") identified that are expected to benefit from the business combination. The carrying amounts of goodwill of each CGU are as follows:

	GROUP	
	2024	2023
	RMB'000	RMB'000
Hebei Changrun Environmental Ltd.	5,483	5,483
Qingdao Xinyuan Thermal Power Co., Ltd.	20,423	20,423
Zhangjiagang Yongxing Thermal Power Co., Ltd	309,863	309,863
Changshu Suyuan Thermal Power Co., Ltd	79,813	79,813
	415,582	415,582

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the cash generating units, are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates and expected order book and direct costs during the period. Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the cash generating units. Expected order book and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial forecasts approved by management for the next five years using an average discount rate ranging from 9.5% to 11% (2023 : 9.5% to 11%) and terminal growth rate ranging from Nil% to 1% (2023 : Nil% to 2%) per annum.

### *Sensitivity analysis*

Management estimates that any reasonable changes in the estimates and assumptions used in the discontinued cash flow model would not change the conclusion on the goodwill impairment assessment as the recoverable amount is still higher than the carrying amount of goodwill.

# Notes to the Financial Statements

December 31, 2024

## 19 TRADE PAYABLES, OTHER PAYABLES AND CONTRACT LIABILITIES

	GROUP		COMPANY	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Trade:				
Outside parties	244,410	189,777	–	–
Related parties (Note 5)	34,781	72,230	–	–
Notes payables	221,365	118,114	–	–
Contract liabilities	61,617	57,454	–	–
Non-trade:				
Related parties (Note 5)	–	24,262	–	–
Outside parties	56,384	90,714	22,300	25,479
Accruals and other liabilities	29,367	29,884	–	–
Accruals for payroll	61,585	61,014	21,350	16,338
Value-added taxes and other tax liabilities	8,302	7,546	–	–
Government grants received yet to be applied pending satisfaction of conditions	56,463	61,901	–	–
Subsidiaries (Note 14)	–	–	543,640	447,073
Total	774,274	712,896	587,290	488,890

As at January 1, 2023, contract liabilities amounted to RMB49,096,000.

The average credit period for purchases of goods and services is 90 days (2023 : 90 days).

Contract liabilities relating to construction contracts are balances due to customers under construction contracts. These arise when a particular milestone payment exceeds the revenue recognised to date. In addition, advance payments from customers for utilities are also included in contract liabilities.

The non-trade amounts due to subsidiaries and related parties are unsecured, interest-free and repayable on demand.

Government grants were received mainly in relation to the Group's environmental protection initiatives in combating pollution. The deferred income will be recognised in profit or loss over the period ranging from 3 to 5 years, depending on the fulfilment condition of the grant.

# Notes to the Financial Statements

December 31, 2024

## 20 BORROWINGS

	GROUP	
	2024 RMB'000	2023 RMB'000
Bank loans	2,845,706	2,921,834
Borrowings arising from sales and leaseback transactions	817,066	461,492
	3,662,772	3,383,326
Presentation in statement of financial position:		
Current liabilities payable within one year	1,653,812	1,191,484
Non-current liabilities	2,008,960	2,191,842
Total	3,662,772	3,383,326

The bank loans are:

	GROUP	
	2024 RMB'000	2023 RMB'000
Unsecured	10,000	–
Secured by building, land use rights, and service concession arrangement and equipment of the subsidiary, and guaranteed by the Company	356,098	327,782
Secured by building and land use rights of the subsidiary and guaranteed by other subsidiaries	1,131,585	979,732
Secured by service concession arrangement of the subsidiary and guaranteed by other subsidiaries	969,953	1,234,441
Secured by pledged bank deposit and guaranteed by other subsidiaries	–	76,000
Guaranteed by another subsidiary	1,195,136	509,750
Guaranteed by the Company and another subsidiary	–	255,621
Total	3,662,772	3,383,326

The bank loans bear effective interest rate of 2.30% to 8.00% (2023 : 1.20% to 8.00%) per annum.

The borrowings arising from sale and leaseback transactions bears effective interest rate of 3.95% - 6.67% (2023: 5.76% - 7.53%) per annum.

# Notes to the Financial Statements

December 31, 2024

## 20 BORROWINGS (CONT'D)

### RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	JANUARY 1, 2024	FINANCING CASH FLOWS <sup>(ii)</sup>	FOREIGN EXCHANGE MOVEMENT <sup>(i)</sup>	OTHER CHANGES <sup>(iii)</sup>	DECEMBER 31, 2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Borrowings (Note 20)	3,383,326	279,446	–	–	3,662,772
Convertible bonds (Note 21)	973,845	–	31,347	75,119	1,080,311
Lease liabilities (Note 22)	2,972	(1,357)	–	122	1,737
	4,360,143	278,089	31,347	75,241	4,744,820

	JANUARY 1, 2023	FINANCING CASH FLOWS <sup>(ii)</sup>	FOREIGN EXCHANGE MOVEMENT <sup>(i)</sup>	OTHER CHANGES <sup>(iii)</sup>	DECEMBER 31, 2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Borrowings (Note 20)	3,342,975	40,351	–	–	3,383,326
Convertible bonds (Note 21)	892,707	–	14,895	66,243	973,845
Lease liabilities (Note 22)	5,830	(1,490)	–	(1,368)	2,972
	4,241,512	38,861	14,895	64,875	4,360,143

- (i) Foreign exchange movement is related to depreciation (appreciation) of RMB against US\$ for convertible bonds denominated in US\$ (Note 21).
- (ii) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the consolidated statement of cash flows.
- (iii) Other changes include interest accruals and payments and new lease liabilities.

# Notes to the Financial Statements

December 31, 2024

## 21 CONVERTIBLE BONDS

	GROUP AND COMPANY	
	2024	2023
	RMB'000	RMB'000
Debt host liability component, at amortised cost	1,080,311	973,845

On March 3, 2017, the Company issued convertible bonds ("CB1") amounting to US\$110 million and these are convertible into new shares at an initial conversion price of S\$0.50 per share.

In 2018, the Company obtained shareholders' approval in respect of an aggregate principal amount of up to US\$70 million Tranche 2 convertible bond ("CB2") with an initial conversion price of S\$0.60 per share, together with warrants exercisable at an aggregate amount of US\$30 million.

On October 15, 2018, the Company issued US\$20 million of CB2.

Both CB1 and CB2 will otherwise bear interest of 2.5% per annum until the maturity date. The Group is required to achieve performance targets calculated based on its audited adjusted profit after taxation and minority interest ("Adjusted PATMI") (excluding fair value gain and losses of the CB and non-recurring income from the sale of assets and businesses and other mutually agreed accounting adjustments) ("Performance Targets"), otherwise adjustments will be made to the conversion price accordingly.

On December 30, 2020, the Company entered into an addendum agreement to defer the maturity date of CB1 and CB2 to March 3, 2023 as well as to revise the Performance Targets to encompass the change in business structure after the disposal of the M&S Segment. The terms to the addendum agreement were effective on June 18, 2021 upon certain conditions, of which, were contingent upon the successful disposal of the M&S Segment. The disposal was approved by the shareholders on April 16, 2021.

Pursuant to the disposal of the M&S Segment, a proposed special dividend approved by the shareholders on April 16, 2021 was also made to both the shareholders and bondholders. RMB403,315,000 was paid to the bondholders during the year ended December 31, 2021.

In 2022, the maturity date of CB1 and CB2 which was initially on March 3, 2023, is elected by the bondholders to be the 15th Business Day after the date on which the Group's audited financial statements the financial year ended December 31, 2022 are issued.

On March 24, 2023, the Group and the Investors entered into an amendment agreement (the "2023 Amendment Agreement") which extended the maturity date of the CBs to April 3, 2025. The conversion price of convertible bonds will remain at S\$0.50 for CB1 and S\$0.60 for CB2 and will no longer subject to the Group's performance target on adjusted profit after taxation and minority interests. Additionally, bondholders are entitled to a higher Total Internal Rate of Return at 10%. Subject to certain conditions, this will give rise to a redemption balance of approximately USD 151.6 million on maturity date.

Due to the amendment agreement, terms of the bond has been substantially modified and hence it will be accounted for as an extinguishment of the original liability and recognition of the new liability and the convertible feature will be classified as equity. As disclosed in Note 3.2 (d), management is of the view that the fair value of the revised convertible bond approximates the carrying amount of the previous convertible bond as the revised terms are negotiated with third party bondholders based on market terms. The Group had not adjusted for the fair value of the conversion feature as management is of the view that it is not material.



# Notes to the Financial Statements

December 31, 2024

## 21 CONVERTIBLE BONDS (CONT'D)

The Company has received a notice dated March 12, 2025 from each Existing Bondholder that, pursuant to Condition 8(A) of the Existing Bonds terms and conditions, such Existing Bondholder elects for the Existing Bonds Maturity Date to be the date that is the 15th business day after the date of this report.

Reconciliation of the carrying value of the convertible bonds is as follow:

	GROUP AND COMPANY	
	2024	2023
	RMB'000	RMB'000
<b>CB1</b>		
Nominal value of CB issued	757,856	757,856
Less: Transaction costs	(26,342)	(26,342)
Net value of CB issued	731,514	731,514
Foreign exchange loss	54,934	28,204
Cumulative interest accrued (Note 30)	679,425	591,750
Cumulative fair value gain on CB	(404,025)	(404,025)
Total	1,061,848	947,443
Less: Interest payables included in accruals (Note 19)	(20,298)	(19,846)
Less: Interest paid to bondholders	(120,527)	(101,442)
Balance at end of year	921,023	826,155
<b>CB2</b>		
Nominal value of CB issued	138,285	138,285
Less: Transaction costs	(15,000)	(15,000)
Net value of CB issued	123,285	123,285
Foreign exchange loss	8,908	4,291
Cumulative interest accrued (Note 30)	86,195	75,662
Cumulative fair value gain on CB	(38,872)	(38,872)
Total	179,516	164,366
Less: Interest payables included in accruals (Note 19)	(3,552)	(3,470)
Less: Interest paid to bondholders	(16,676)	(13,206)
Balance at end of year	159,288	147,690

The interest accrued is calculated by applying an effective interest rate of 6.91% - 10.06% (2023 : 6.91% - 10.06%) per annum to the liability component.

Management estimates that the carrying amount of the liability component of CB1 and CB2 as at December 31, 2024 and 2023 approximates its fair value.

# Notes to the Financial Statements

December 31, 2024

## 22 LEASE LIABILITIES

	GROUP	
	2024	2023
	RMB'000	RMB'000
Maturity analysis:		
Year 1	1,357	1,357
Year 2	452	1,357
Year 3	–	452
	1,809	3,166
Less: Future interest payments	(72)	(194)
	1,737	2,972
Analysed as:		
Current	1,293	1,235
Non-Current	444	1,737
	1,737	2,972

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

## 23 SHARE CAPITAL

	GROUP AND COMPANY			
	2024	2023	2024	2023
	NUMBER OF ORDINARY SHARES OF US\$0.01 EACH			
	'000	'000	US\$'000	US\$'000
Authorised share capital:				
At beginning of the year and end of the year	2,300,000	2,300,000	23,000	23,000
	NUMBER OF ORDINARY SHARES			
	'000	'000	RMB'000	RMB'000
Issued and fully paid up:				
At the beginning of the year and end of the year	795,686	795,686	57,662	57,662

Fully paid ordinary shares carry one vote per share and a right to dividends as and when declared by the Company.

# Notes to the Financial Statements

December 31, 2024

## 24 GENERAL RESERVES

	GROUP	
	2024	2023
	RMB'000	RMB'000
Capital reserve:		
At the beginning of the year	14,867	14,867
Effects of acquiring part of non-controlling interests in a subsidiary	(5,718)	–
At the end of the year	9,149	14,867
Statutory surplus reserve fund:		
At the beginning of the year	269,136	220,716
Transfer during the year from retained earnings	83,673	47,737
Others	–	683
At the end of the year	352,809	269,136
Enterprise expansion fund:		
At the beginning and at the end of the year	4,098	4,098
Total	366,056	288,101

Capital reserves represents effects of changes in ownership interests in a subsidiary when there is no change in control (Note 14).

Companies in PRC are required by regulation to appropriate 10% of annual PRC accounting profit to the reserve fund until the reserve reaches 50% of the registered capital. The statutory surplus reserve fund may be used to make up prior year losses incurred and, with approval from relevant government authority, to increase capital. The reserve is not available for distribution as dividends to shareholders.

Appropriation from the PRC accounting profit to the enterprise expansion fund is at the discretion of the Company at rates determined by the Company. The enterprise expansion fund, subject to approval by relevant government authority, may also be used to increase capital.

# Notes to the Financial Statements

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## 25 SHARE OPTION RESERVE

	GROUP AND COMPANY			
	2024		2023	
	NUMBER OF SHARE OPTIONS	EXERCISE PRICE	NUMBER OF SHARE OPTIONS	EXERCISE PRICE
	('000)	RMB	('000)	RMB
Outstanding at the beginning and end of the year	1,191	1.27	1,191	1.27

A total of 59,220,000 shares options were granted on May 19, 2015 under the Sunpower Employee Share Option Scheme 2015 ("2015 ESOS") which was approved by shareholders on April 29, 2015. Group Employees, Executive Directors, Non-Executive Directors, Controlling Shareholders and their Associates (all as defined in 2015 ESOS) can participate in the 2015 ESOS.

Subject to the absolute discretion of the Remuneration Committee, Controlling Shareholders and their Associates (as defined in the circular to the shareholders dated April 6, 2015) are eligible to participate in the 2015 ESOS, provided that the participation of each Controlling Shareholder or his Associate and each grant of an option to any of them may only be effected with the specific prior approval of independent shareholders in a general meeting by a separate resolution as provided for in the circular to shareholders.

The aggregated options outstanding were 1,191,000, of which 1,000,000 with exercise price S\$0.308 (approximately RMB1.596) and 191,000 with exercise price S\$0.116 (approximately RMB0.601) and all exercisable up to May 19, 2025. These share options are exercisable at any time 2 years after the date of grant. Any unexercised options will expire 10 years from date of grant. Options are forfeited if the grantee leaves the Group before the options vest.

Of the 59,220,000 share options granted, 5,922,000 share options were granted to Mr. Guo Hong Xin, Executive Director of the Company; 8,968,000 share options were granted to Mr. Ma Ming, Executive Director of the Company; and the remaining 44,330,000 share options were granted to Group Employees.

The estimated fair value of options granted to Mr. Guo and Mr. Ma was S\$0.052 (equivalent to RMB0.24) and the estimated fair value of options granted to Group Employees was S\$0.0604 (equivalent to RMB0.28).

These fair values were calculated using the Binomial model with inputs as follow:

	MR. GUO AND MR. MA	GROUP EMPLOYEES
Weighted average share price (RMB)	0.67	0.67
Weighted average exercise price (RMB)	0.53	0.53
Expected volatility	38.89%	44.44%
Expected life	3 years	5 years
Risk free rate	0.98%	1.56%
Expected dividend yield	0.68%	0.68%

Expected volatility for options granted to Mr. Guo, Mr. Ma; and to Group Employees were determined by calculating the historical volatility of the Company's share price over the past 3 and 5 years prior to the date of grant of May 19, 2015 respectively.

# Notes to the Financial Statements

December 31, 2024

## 26 REVALUATION RESERVE

The investments revaluation reserve represents the cumulative gains and losses arising on the revaluation of:

- (i) investments in equity instruments designated as at FVTOCI, and
- (ii) investments in debt instruments classified as at FVTOCI.

### Movements in investments revaluation reserve

	GROUP	
	2024	2023
	RMB'000	RMB'000
Balance at beginning of year	(1,834)	(1,706)
Fair value loss on investments in equity instruments designated as at FVTOCI	326	(226)
Fair value loss on investments in debt instruments classified as at FVTOCI	(186)	98
Balance at end of year	(1,694)	(1,834)

## 27 REVENUE

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 39).

A disaggregation of the Group's revenue for the year, for both continuing and discontinued operations, is as follows:

	GROUP	
	2024	2023
	RMB'000	RMB'000
<b>Segment revenue</b>		
Sales of goods	65,269	62,009
Revenue from service concession arrangements	188,680	141,538
Provision of utilities	3,251,235	3,199,517
Total	3,505,184	3,403,064
<b>Timing of revenue recognition</b>		
At a point of time:		
Sales of goods	65,269	62,009
Provision of utilities	3,251,235	3,199,517
	3,316,504	3,261,526
Over time:		
Revenue from service concession arrangements	188,680	141,538
	3,505,184	3,403,064

# Notes to the Financial Statements

December 31, 2024

## 27 REVENUE (CONT'D)

The following table shows the aggregate amount of the transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations as at the end of the reporting period.

	GROUP	
	2024	2023
	RMB'000	RMB'000
Revenue from service concession arrangements	71,374	57,914

Management expects that 100% of the transaction price allocated to the unsatisfied contracts as of December 31, 2024 will be recognised as revenue during the next reporting period amounting to RMB71,374,000 (2023 : RMB57,914,000).

## 28 OTHER OPERATING INCOME

	GROUP	
	2024	2023
	RMB'000	RMB'000
Government grants	7,946	9,669
Interest income	6,006	6,753
Gain on disposal of property, plant and equipment	87	454
Government rebates	155	345
Reversal of other payable	19,739	–
Gain on carbon emission quota	27,382	–
Others	626	2,807
Total	61,941	20,028

## 29 OTHER OPERATING EXPENSES

	GROUP	
	2024	2023
	RMB'000	RMB'000
Exchange loss on convertible bonds	31,347	14,895
Impairment loss on trade and other receivables subject to ECL	128,349	17,197
Loss on disposal of property, plant and equipment	1,397	1,026
Loss on usage of emission right	1,959	2,292
Impairment allowance on property, plant and equipment	633	2,116
Donation	150	–
Others	700	733
Total	164,535	38,259



# Notes to the Financial Statements

December 31, 2024

## 30 FINANCE COSTS

	GROUP	
	2024	2023
	RMB'000	RMB'000
Interest expense on borrowings	171,598	189,209
Interest expense on convertible bonds (Note 21)	98,208	89,297
Interest expense on lease liabilities	122	238
Total	269,928	278,744

## 31 PROFIT BEFORE INCOME TAX

(a) This has been arrived at after charging (crediting):

	GROUP	
	2024	2023
	RMB'000	RMB'000
Amortisation of intangible assets	212,541	187,276
Depreciation of right-of-use assets	6,954	6,149
Amortisation of contract cost	237	–
Depreciation of property, plant and equipment	51,334	48,154
Total depreciation and amortisation	271,066	241,579
Capitalised in intangible assets	–	(412)
	271,066	241,167
Audit fees:		
- to auditors of the Company and Deloitte network firms	3,487	3,350
- to other auditors	1,183	1,415
Non-audit fees:		
- to auditors of the Company and Deloitte network firms	225	243
- to other auditors	–	–
Cost of inventories sold included in cost of sales	1,795,410	1,866,607
Defined contribution plans	23,954	21,309
Directors' fees - Directors of the Company	3,922	4,249
Director's remuneration - Director of the Company	18,326	18,543
Foreign exchange loss on convertible bonds	31,347	14,895
Net loss on disposal of property, plant and equipment	1,310	572
Research and development expenses	40,776	42,375
Salaries and wages	217,349	223,687
Impairment allowance on property, plant and equipment	633	2,116
Reversal of other payable	19,739	–
Impairment loss on financial assets:		
- Impairment loss on trade and other receivables subject to ECL*	128,349	17,197

\* included in other operating expenses.

# Notes to the Financial Statements

December 31, 2024

## 31 PROFIT BEFORE INCOME TAX (CONT'D)

### (b) Compensation of key management personnel

The remuneration of directors and other members of key management during the financial year were as follows:

	GROUP	
	2024	2023
	RMB'000	RMB'000
Short-term benefits	25,289	26,480
Other staff benefits	117	108
Total	25,406	26,588

The remuneration of directors and key executives is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

## 32 INCOME TAX EXPENSE

Income tax recognised in profit or loss:

	GROUP	
	2024	2023
	RMB'000	RMB'000
Tax expense comprises:		
Current tax expense	120,646	85,458
Deferred tax (Note 17)	(42,443)	(10,239)
Withholding tax	17,000	–
Total tax expense	95,203	75,219

# Notes to the Financial Statements

December 31, 2024

## 32 INCOME TAX EXPENSE (CONT'D)

The income tax expense varied from the amount of income tax expense determined by applying the PRC income tax rate of 25% (2023 : 25%) to profit before income tax as a result of the following differences:

	GROUP	
	2024	2023
	RMB'000	RMB'000
Profit before income tax	339,615	343,701
Income tax expense calculated at PRC income tax rate of 25%	84,904	85,926
Tax effect of non-deductible items	145	3,048
Effect of different tax rates of entities operating in other jurisdictions	34,136	34,898
Effect of tax exemption and tax incentives	(40,956)	(40,438)
Tax effect of income not taxable for tax purpose	(26)	(2,583)
Withholding tax	17,000	–
Temporary differences previously not recognised	–	(5,632)
Income tax expense	95,203	75,219

(a) Shantou Sunpower Keying Thermal Power Co., Ltd.

The above subsidiary is foreign investment enterprises located in Shantou, Guangzhou Province, PRC, where the statutory tax rate is 25%. In 2019, Shantou Sunpower Keying Thermal Power Co., Ltd. received official approval for a preferential tax rate of 15%, for three years beginning 2019, under the “Pollution prevention” scheme, which was renewed for a further 2 years to December 31, 2023. On January 1, 2024, the approval was renewed for a further 4 years December 31, 2027.

In 2022, Shantou Sunpower Keying Thermal Power Co., Ltd. was accredited as a “New and High Technical Enterprise” for a term of three years from 2022 to 2025 and subject to a preferential tax rate of 15%.

## 33 EARNINGS PER SHARE

	GROUP	
	2024	2023
	RMB'000	RMB'000
Earnings:		
Profit attributable to equity holders of the Company	119,437	175,772
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000)	795,686	795,686
Effect of dilutive potential ordinary shares from share options and convertible bonds ('000)	–	–
Weighted average number of ordinary shares for the purposes of diluted earnings per share ('000)	795,686	795,686
Basic earnings per share (RMB cents)	15.01	22.09
Diluted earnings per share (RMB cents)	15.01 <sup>(1)</sup>	22.09 <sup>(1)</sup>

(1) Financial effects of convertible bonds were not included as they are antidilutive in nature.

# Notes to the Financial Statements

December 31, 2024

## 34 DIVIDENDS

In 2023, a first and final dividend of S\$0.0013 per ordinary share totalling \$1,034,000 (equivalent to RMB5,527,998) was paid to shareholders in respect on the financial year ended December 31, 2022.

There was no dividend declared or paid in 2024.

## 35 OPERATING LEASE ARRANGEMENTS

The Group as lessee

At December 31, 2024, the Group is committed to RMB492,000 (2023 : RMB121,000) for short-term leases or small value assets.

## 36 CAPITAL COMMITMENTS

	GROUP	
	2024	2023
	RMB'000	RMB'000
For acquisition of BOT projects	69,295	56,227
For acquisition of plant, property and equipment	1,327	–

## 37 CONTINGENT LIABILITIES

The Group and the Company has contingent liabilities arising from guarantees given for bank loans as disclosed in Note 20.

## 38 SEGMENT INFORMATION

The Group determines its operating segments based on components of the Group's business which are reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

In 2021, the Group has disposed its Manufacturing & services ("M&S") segment. This segment included highly efficient heat exchangers and pressure vessels, heat pipes and heat pipe exchangers, pipeline energy saving products and related environmental protection products. This segment also provided solutions for flare and flare gas recovery system, desulphurisation and denitrification system, zero liquid discharge system, petrochemical engineering and energy saving system.

At the end of reporting period, Green investments ("GI") is the only business segment with the segmental analysis used to allocate resources and to assess performance. This segment focus on the investment, development and operation of centralised heat, steam and electricity generation plants.

# Notes to the Financial Statements

December 31, 2024

## 38 SEGMENT INFORMATION (CONT'D)

### *Geographical information*

The geographical location of the customers of the Group principally comprise the PRC.

The Group's revenue from external customers and information about its segment assets (non-current assets excluding investments in associate, financial assets at fair value through other comprehensive income, deferred tax assets, commitment fee and "other" financial assets) by geographical location are detailed below:

	REVENUE FROM EXTERNAL CUSTOMER		NON-CURRENT ASSETS	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
PRC	3,505,184	3,403,064	5,593,466	5,644,434

### *Information about major customers*

There is no single customer which contributes 10% or more of the revenue in 2024 and 2023, respectively.

## 39 EVENTS AFTER THE REPORTING PERIOD

### Partial Redemption of existing CBs

The Company has effected payment of the First Tranche Partial Redemption Principal Amount of US\$46.4 million (RMB338.7 million), together with (i) accrued and unpaid interest on the First Tranche Partial Redemption Principal Amount of such Existing Bond and (ii) a premium of US\$7.6 million (RMB55.3 million) on January 2, 2025.

The Company has effected payment of the Second Tranche Partial Redemption Principal Amount of US\$11.7 million (RMB85.4 million), together with (i) accrued and unpaid interest on the Second Tranche Partial Redemption Principal Amount of such Existing Bond and (ii) a premium of US\$2.05 million (RMB15 million) on February 10, 2025.

The Company has effected payment of the Third Tranche Partial Redemption Principal Amount of US\$11.42 million (RMB82.9 million), together with (i) accrued and unpaid interest on the Third Tranche Partial Redemption Principal Amount of such Existing Bond and (ii) a premium of US\$2.08 million (RMB15.2 million) on March 5, 2025.

### Rights Issue

The Company has obtained approval by the shareholders at a Special General Meeting on February 26, 2025 to issue renounceable non-underwritten rights issue (the "Rights Issue") to raise up to a minimum of S\$99,460,767 (RMB533.6 million) in aggregate principal amount of convertible bond convertible up to a minimum of 397.8 million new conversion shares, with 7% coupon interest rate per annum. The convertible bonds will mature 5 years from the issue date of the Convertible Bonds.

# Statistics of Shareholdings

As at 7 March 2025

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	1	0.04	49	0.00
100 - 1,000	124	5.19	84,951	0.01
1,001 - 10,000	1,049	43.93	7,167,100	0.90
10,001 - 1,000,000	1,182	49.50	66,273,584	8.33
1,000,001 AND ABOVE	32	1.34	722,160,458	90.76
<b>TOTAL</b>	<b>2,388</b>	<b>100.00</b>	<b>795,686,142</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	DBS NOMINEES (PRIVATE) LIMITED	263,285,495	33.09
2	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	137,389,700	17.27
3	CITIBANK NOMINEES SINGAPORE PTE LTD	75,592,421	9.50
4	MAYBANK SECURITIES PTE. LTD.	52,149,700	6.55
5	OCBC SECURITIES PRIVATE LIMITED	44,642,186	5.61
6	DB NOMINEES (SINGAPORE) PTE LTD	30,000,000	3.77
7	PAN SHUHONG	19,393,198	2.44
8	HSBC (SINGAPORE) NOMINEES PTE LTD	18,873,800	2.37
9	UOB KAY HIAN PRIVATE LIMITED	18,282,100	2.30
10	PHILLIP SECURITIES PTE LTD	15,252,300	1.92
11	RAFFLES NOMINEES (PTE.) LIMITED	6,176,000	0.78
12	LI FENG	4,620,000	0.58
13	HONG LEONG FINANCE NOMINEES PTE LTD	3,410,400	0.43
14	TAN KAH BOH ROBERT@ TAN KAH BOO	3,180,000	0.40
15	WATERWORTH PTE LTD	2,600,000	0.33
16	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	2,453,000	0.31
17	TIGER BROKERS (SINGAPORE) PTE. LTD.	2,305,800	0.29
18	NG SEOW YUEN (HUANG XIAOYAN)	2,228,900	0.28
19	ONG LAN SEE NANCY	2,219,600	0.28
20	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	2,098,500	0.26
<b>TOTAL</b>		<b>706,153,100</b>	<b>88.76</b>



# Statistics of Shareholdings

As at 7 March 2025

## SHARE CAPITAL

Authorised share capital	:	US\$23,000,000
Issued and fully paid-up	:	US\$7,956,861.42
Class of Shares	:	Ordinary shares of US\$0.01 each
Number of Treasury Shares held	:	Nil
Number of subsidiary holdings held	:	Nil
Voting rights	:	One vote per share

## Shareholdings Held in Hands of Public

Based on information available to the Company as at 7 March 2025, 40.1% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual is complied with.

## SUBSTANTIAL SHAREHOLDERS AS AT 7 MARCH 2025

(According to Register of Substantial Shareholders)

NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST	%	DEEMED INTEREST	%
1. Guo Hong Xin <sup>(1)</sup>	–	–	153,638,554	19.31
2. Ma Ming <sup>(2)</sup>	–	–	137,509,737	17.28
3. Allgreat Pacific Limited <sup>(3)</sup>	82,209,983	10.33	71,428,571	8.98
4. Claremont Consultancy Limited <sup>(4)</sup>	66,081,166	8.30	71,428,571	8.98
5. Sunpower Business Group Pte. Ltd.	71,428,571	8.98	–	–
6. Tournan Trading Pte. Ltd.	71,428,571	8.98	–	–
7. Lin Yucheng	100,000,000	12.67	–	–
8. Joyfield Group Limited	66,154,120	8.38	–	–
9. Pan Shuhong <sup>(5)</sup>	19,393,198	2.46	66,154,120	8.38

(1) Mr Guo Hong Xin is (i) deemed to be interested in the 82,209,983 shares held by Allgreat Pacific Limited which is an investment holding company wholly owned by him, and (ii) deemed to be interested in the 71,428,571 shares held by Sunpower Business Group Pte. Ltd., which is an investment holding company wholly owned by Allgreat Pacific Limited, which is in turn wholly owned by him.

(2) Mr Ma Ming is (i) deemed to be interested in the 66,081,166 shares held by Claremont Consultancy Limited which is an investment holding company wholly owned by him, and (ii) deemed to be interested in the 71,428,571 shares held by Tournan Trading Pte. Ltd., which is an investment holding company wholly owned by Claremont Consultancy Limited, which is in turn wholly owned by him.

(3) Sunpower Business Group Pte. Ltd., is wholly owned subsidiary of Allgreat Pacific Limited. Accordingly, Allgreat Pacific Limited is deemed to be interested in the 71,428,571 shares held by Sunpower Business Group Pte. Ltd.

(4) Tournan Trading Pte. Ltd., is wholly owned subsidiary of Claremont Consultancy Limited. Accordingly, Claremont Consultancy Limited is deemed to be interested in the 71,428,571 shares held by Tournan Trading Pte. Ltd.

(5) Ms Pan Shuhong is deemed to be interested in the 66,154,120 shares held by Joyfield Group Limited which is wholly owned by her.

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 2025 Annual General Meeting of the Company will be held at HQ-India Rooms, Assembly Building, Level 2, JW Marriott Hotel Singapore South Beach, 30 Beach Road, Singapore 189763 on Tuesday, 29 April 2025 at 10.00 a.m., for the purpose of transacting the following business:

## ORDINARY BUSINESS

- |     |  |              |
|-----|--|--------------|
| 1.  | To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 December 2024 together with the Directors' Statement and the Auditors' Report thereon. | Resolution 1 |
| 2.  | To approve Directors' fees of S\$731,088 for the financial year ended 31 December 2024. (2023: S\$788,898)   | Resolution 2 |
| 3.  | To approve the payment of Directors' fees of up to S\$570,000 for the financial year ending 31 December 2025 (2024: S\$731,088), to be paid in arrears on a quarterly basis.           | Resolution 3 |
| 4.  | To re-elect Mr Guo Hong Xin, a Director retiring pursuant to Bye-Law 104 of the Bye-Laws of the Company.<br><i>(See Explanatory Note)</i>  | Resolution 4 |
| 5.  | To re-elect Mr Ma Ming, a Director retiring pursuant to Bye-Law 104 of the Bye-Laws of the Company.<br><i>(See Explanatory Note)</i>   | Resolution 5 |
| 6.  | To re-elect Mr Mak Yen-Chen Andrew, a Director retiring pursuant to Bye-Law 107(B) of the Bye-Laws of the Company.<br><i>(See Explanatory Note)</i>                                    | Resolution 6 |
| 7.  | To re-elect Ms Pan Shuhong, a Director retiring pursuant to Bye-Law 107(B) of the Bye-Laws of the Company.<br><i>(See Explanatory Note)</i>  | Resolution 7 |
| 8.  | To re-elect Mr Ngoo Lin Fong, a Director retiring pursuant to Bye-Law 107(B) of the Bye-Laws of the Company.<br><i>(See Explanatory Note)</i>  | Resolution 8 |
| 9.  | To note the retirement of Mr Limjoco Ross Yu, a Director who is retiring pursuant to Bye-Law 107(B) of the Bye-Laws of the Company and would not be seeking re-election.               |              |
| 10. | To re-appoint Messrs Deloitte & Touche LLP as Auditors and to authorise the Directors to fix their remuneration.   | Resolution 9 |

## SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following Ordinary Resolutions:-

- |     |  |               |
|-----|--|---------------|
| 11. | That pursuant to Bye-Law 12(B) of the Bye-Laws of the Company and listing rules of Singapore Exchange Securities Trading Limited (" <b>SGX-ST</b> "), the Directors be and are hereby authorised to:   | Resolution 10 |
| (a) | (i) issue shares in the capital of the Company (" <b>shares</b> ") whether by way of rights, bonus or otherwise; and/or  |               |
|     | (ii) make or grant offers, agreements or options (collectively, " <b>Instruments</b> ") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, |               |
|     | at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion deem fit; and  |               |
| (b) | (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,   |               |

# Notice of Annual General Meeting

## PROVIDED THAT:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings (if any)) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to existing shareholders of the Company (including shares to be issued in pursuant of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings (if any)) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraphs (1) above, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company excluding treasury shares if any at the time this Resolution is passed, after adjusting for:
  - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards, provided that the share options or awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
  - (ii) any subsequent bonus issue or consolidation or subdivision of shares;

Adjustments in accordance with the above Paragraph 2(i) is only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time this Resolution is passed;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-Laws for the time being of the Company; and
  - (4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by the Bye-Laws to be held, whichever is the earlier. *(See Explanatory Note)*
12. That approval be and is hereby given to the Board of Directors of the Company to allot and issue from time to time such number of shares as may be required to be issued pursuant to the exercise of the options under the Sunpower Employee Share Option Scheme 2015 (“**2015 ESOS**”), Resolution 11

**PROVIDED THAT** the aggregate nominal amount of shares over which the Remuneration Committee may grant options on any date, when added to the nominal amount of shares issued and issuable in respect of all options granted under the 2015 ESOS shall not exceed 15 percent of the issued share capital of the Company on the day immediately preceding the date of the relevant grant. *(See Explanatory Note)*

## OTHER BUSINESS

13. To transact any other business that may be properly transacted at the Annual General Meeting of the Company.

BY ORDER OF THE BOARD

**HO WUI MEE MARIAN**  
Company Secretary

4 April 2025

# Notice of Annual General Meeting

## **Explanatory Notes:**

### **Resolution 4**

Mr Guo Hong Xin, Non-Executive and Non-Independent Director and a member of Nominating Committee, will continue to serve in these capacities if re-elected as a Director of the Company.

Detailed information of Mr Guo can be found under “Board of Directors” and “Additional Information on Directors seeking Re-Election” in the Company’s Annual Report 2024.

### **Resolution 5**

Mr Ma Ming, Executive Director and Chief Executive Officer, will continue to serve in these capacities if re-elected as a Director of the Company.

Detailed information of Mr Ma can be found under “Board of Directors” and “Additional Information on Directors seeking Re-Election” in the Company’s Annual Report 2024.

### **Resolution 6**

Mr Mak Yen-Chen Andrew, Chairman of Remuneration Committee, a member of Audit Committee and a member of Nominating Committee, will continue to serve in these capacities if re-elected as a Director of the Company. Mr Mak is an Independent Director.

Detailed information of Mr Mak can be found under “Board of Directors” and “Additional Information on Directors seeking Re-Election” in the Company’s Annual Report 2024.

### **Resolution 7**

Ms Pan Shuhong, Non-Executive and Non-Independent Director, a member of Remuneration Committee and a member of Nominating Committee, will continue to serve in these capacities if re-elected as a Director of the Company.

Detailed information of Ms Pan can be found under “Board of Directors” and “Additional Information on Directors seeking Re-Election” in the Company’s Annual Report 2024.

### **Resolution 8**

Mr Ngoo Lin Fong, Non-Executive and Non-Independent Director, a member of Remuneration Committee and a member of Nominating Committee, will continue to serve in these capacities if re-elected as a Director of the Company.

Detailed information of Mr Ngoo can be found under “Board of Directors” and “Additional Information on Directors seeking Re-Election” in the Company’s Annual Report 2024.

# Notice of Annual General Meeting

## **Notes to Resolutions 7 and 8**

As announced by the Company on 28 March 2025, Mr Lin Yucheng, Joyfield Group Limited and Ms Pan Shuhong (and together with BLP Capital (Singapore) Pte. Ltd. collectively, “**BLP Concert Party Group**”) were allotted 46,067,301 Convertible Bonds (as hereinafter defined), comprising 46.3% of the aggregate principal amount of Convertible Bonds available under the renounceable non-underwritten rights issue (“**Rights Issue**”) of up to S\$99,460,767 in aggregate principal amount of 7.00% convertible bonds (“**Convertible Bonds**”) convertible into up to 397,843,068 new ordinary shares in the capital of the Company.<sup>1</sup>

Under Condition 9 of the terms and conditions of the Convertible Bonds (“**T&Cs**”), holders of the Convertible Bonds who hold more than 25% of the principal amount of the Convertible Bonds (at issuance) shall be entitled to nominate two persons to the Board. Therefore, the BLP Concert Party Group will be entitled to exercise the right to nominate a maximum of two persons to the Board upon issuance of the Convertible Bonds pursuant to Condition 9 of the T&Cs. As at 28 March 2025, the Company expects that the Convertible Bonds will be issued on or about 3 April 2025 (“**Issue Date**”).

The BLP Concert Party Group has informed the Company that it intends to nominate Ms Pan Shuhong and Mr Ngoo Lin Fong to the Board on the Issue Date in accordance with Condition 9 of the T&Cs. As at 28 March 2025, the Company intends to appoint Ms Pan Shuhong and Mr Ngoo Lin Fong as Non-Executive and Non-Independent Directors of the Company on the Issue Date.

## **Resolution 10**

Resolution 10, if passed, will empower the Directors of the Company to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding in total fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings (if any)) in the capital of the Company, with a sub-limit of twenty per cent (20%) for issued other than on a *pro rata* basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares (excluding treasury shares and subsidiary holdings (if any)) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings (if any)) in the capital of the Company at the time this resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this resolutions passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

## **Resolution 11**

Resolution 11, if passed, will empower the Board of Directors of the Company to allot and issue shares in the issued capital of the Company pursuant to the exercise of the options under the Sunpower Employee Share Option Scheme 2015 provided that the aggregate nominal amount of shares over which the options are granted does not exceed 15 per cent of the issued share capital of the Company from time to time.

<sup>1</sup> As no ESOS Options were exercised into Shares on or prior to the Record Date, the Company will issue up to S\$99,460,767 in aggregate principal amount of Convertible Bonds under the Rights Issue, which are convertible into up to 397,843,068 Conversion Shares based on an indicative Conversion Price of S\$0.25.

# Notice of Annual General Meeting

## Notes:

- (1) The shareholders of the Company are invited to attend physically at the annual general meeting ("AGM"). **There will be no option for shareholders to participate virtually.**
- (2) Shareholders may wish to submit any questions they may have by 10:00 a.m. on 22 April 2025:
  - (a) in hard copy to the office of the Company's Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd., at 36 Robinson Road, #20-01 City House, Singapore 068877; or
  - (b) via email to [ir@sunpowergroup.com.cn](mailto:ir@sunpowergroup.com.cn).

Shareholders submitting questions are required to state: (a) their full name; and (b) their identification/registration number, failing which the Company shall be entitled to regard the submission as invalid and not respond to the questions submitted.

The Company will provide responses to substantial and relevant questions prior to the AGM through publication on SGXNet and the Company's website at URL <http://sunpower.listedcompany.com/>, or at the AGM.

- (3) Please bring along your NRIC/passport so as to enable the Company to verify your identity. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately. Members are advised not to attend the AGM if they are feeling unwell.
- (4) A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/ her/its behalf should complete, sign and return the Depositor Proxy Form in accordance with the instructions printed thereon.
- (5) With the exception of the Central Depository (Pte) Limited ("CDP") (which may appoint more than two (2) proxies), a member of the Company who is entitled to attend and vote at the AGM and who is the holder of two (2) or more Shares is entitled to appoint no more than two (2) proxies to attend the AGM and vote in his stead. A proxy need not be a member of the Company.
- (6) All Depositor Proxy Forms must be submitted to the Company's Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd., at 36 Robinson Road, #20-01 City House, Singapore 068877, not less than 48 hours before the time appointed for holding the AGM in order for the proxy to be entitled to attend and vote at the AGM, failing which the Company shall be entitled to regard the Depositor Proxy Form as invalid.
- (7) The Depositor Proxy Form must be signed by the appointor or his attorney duly authorised in writing. In the case of joint appointor(s), all joint appointor(s) must sign the Depositor Proxy Form. Where the Depositor Proxy Form is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney. Where the Depositor Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney appointing the attorney or other authority, or a notarially certified copy thereof, if any, under which the Depositor Proxy Form is signed must (unless previously registered with the Company) be lodged with the Depositor Proxy Form, failing which the Company shall be entitled to regard the Depositor Proxy Form as invalid.

The Company shall be entitled to reject the Depositor Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Depositor Proxy Form (such as in the case where the appointor submits more than one (1) Depositor Proxy Form).

- (8) In the case of a Shareholder whose Shares are entered against his/her/its name in the Depository Register, the Company may reject any Depositor Proxy Form lodged if such Shareholder, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by CDP to the Company.

Shareholders who hold their Shares through a Relevant Intermediary (as defined in section 181 of the Companies Act 1967) should not use the Depositor Proxy Form and should contact their relevant intermediaries as soon as possible to specify voting instructions.

- (9) Printed copies of this Notice of AGM and the Depositor Proxy Form have been despatched to Shareholders. All documents relating to the business of the AGM will be published on SGXNet and the Company's website, and may be accessed at the URL <http://sunpower.listedcompany.com/>.

## Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, you: (i) consent to the collection, use and disclosure of your personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of a proxy or representative for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrant that where you disclose the personal data of proxy(ies) and/or representative(s) to the Company (or its agents or service providers), you have obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agree that you will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of a breach of warranty, penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



# Additional Information on Directors Seeking Re-Election

Mr Guo Hong Xin, Mr Ma Ming, Mr Mak Yen-Chen Andrew, Ms Pan Shuhong and Mr Ngoo Lin Fong are the Directors seeking re-election (“**Retiring Directors**”) at the forthcoming annual general meeting of the Company to be convened on 29 April 2025.

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

NAME OF DIRECTOR	GUO HONG XIN	MA MING	MAK YEN-CHEN ANDREW	PAN SHUHONG <sup>(1)</sup>	NGOO LIN FONG <sup>(1)</sup>
Date of Appointment	12 May 2004	12 May 2004	13 May 2024	3 April 2025	3 April 2025
Date of last re-appointment	28 April 2022	24 June 2020	-	-	-
Age	61	59	55	57	52
Country of principal residence	People's Republic of China	People's Republic of China	Republic of Singapore	Republic of Singapore	Republic of Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity consideration, and the search and nomination process)	The re-election of Mr Guo Hong Xin as the Non-Executive and Non-Independent Director was recommended by the Nominating Committee and the Board of Directors has accepted the recommendation, after taking into consideration Mr Guo Hong Xin's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Ma Ming as the Executive Director and Chief Executive Officer was recommended by the Nominating Committee and the Board of Directors has accepted the recommendation, after taking into consideration Mr Ma Ming's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Mak Yen-Chen Andrew as the Independent Director was recommended by the Nominating Committee and the Board of Directors has accepted the recommendation, after taking into consideration Mr Mak Yen-Chen Andrew's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Ms Pan Shuhong as the Non-Executive and Non-Independent Director was recommended by the Nominating Committee and the Board of Directors has accepted the recommendation, after taking into consideration Ms Pan Shuhong's qualifications, expertise and past experiences.	The re-election of Mr Ngoo Lin Fong as the Non-Executive and Non-Independent Director was recommended by the Nominating Committee and the Board of Directors has accepted the recommendation, after taking into consideration Mr Ngoo Lin Fong's qualifications, expertise and past experiences.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive and Non-Independent	Executive, Mr Ma Ming is primarily responsible for the overall management and operational development of the Group.	Non-Executive and Independent	Non-Executive and Non-Independent	Non-Executive and Non-Independent
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Chairman and NC member	Executive Director and Chief Executive Officer	RC Chairman, AC member and NC member	Non-Executive, RC member and NC member	Non-Executive, RC member and NC member

# Additional Information on Directors Seeking Re-Election

NAME OF DIRECTOR	GUO HONG XIN	MA MING	MAK YEN-CHEN ANDREW	PAN SHUHONG <sup>(1)</sup>	NGOO LIN FONG <sup>(1)</sup>
Professional qualifications	Bachelor's Degree and Ph.D in Geotechnical Engineering Executive Master of Business Administration Degree	Master Degree in Engineering Management	Bachelor of Laws (Second Class Honours Upper Division), National University of Singapore Advocate & Solicitor of the Supreme Court of Singapore	Bachelor Degree in Chemistry Master Degree in Electrochemistry	Master of Applied Finance Bachelor of Business Degree, major in Accountancy Member of Australia CPA and Institute of Singapore Chartered Accountants
Working experience and occupation(s) during the past 10 years	2015 - Present: Independent Non-Executive Director, Genscript Biotech Corporation (Listed on Hong Kong Stock Exchange) 2010 - Present: Part-time instructor, MBA Education Center of Nanjing University 2011 - Present: Industry Professor, Nanjing Tech University 2017 - Present: Executive Master of Business Administration Alumni Entrepreneur Mentor, Tsinghua University 2014 - Present: Chairman, Sunpower Technology (Jiangsu) Co., Ltd	2008 - 2015: Director, General Manager, Jiangsu Sunpower Technology Co., Ltd. 2008 - 2015: Director, General Manager, Jiangsu Sunpower Machinery Manufacture Co., Ltd. 2014 - 2015: Director, General Manager, Sunpower Technology (Jiangsu) Co., Ltd.	January 2016 - Present: Consultant, Fortis Law Corporation January 2014 - December 2015: Partner, Loo & Partners LLP	2019 - Present: CEO of Yarra Food Pte Ltd 2014 - 2019: Chief Operational Officer, CITIC Envirotech Ltd	2020 - Present: Executive Chairman, Leader Environmental Technologies Limited 2004 - 2020: Chief Financial Officer, CITIC Envirotech Ltd

# Additional Information on Directors Seeking Re-Election

NAME OF DIRECTOR	GUO HONG XIN	MA MING	MAK YEN-CHEN ANDREW	PAN SHUHONG <sup>(1)</sup>	NGOO LIN FONG <sup>(1)</sup>
Working experience and occupation(s) during the past 10 years	2020 - Present: Executive Director, Nanjing Fuyou Investment Co. Ltd. 2020 - 2021: Chairman of the Board, Nanjing Sunpower Holding Co., Ltd. 2020 - Present: Legal Representative of Zhuhai Hengqin Fuyou Investment Partnership (Limited Partnership)				
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest – 153,638,554 ordinary shares	Deemed interest – 137,509,737 ordinary shares	Nil	Direct interest – 19,393,198 ordinary shares Deemed interest – 66,154,120 ordinary shares	Direct interest – 153,600 ordinary shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None	None	None	None
Conflict of interest (including any competing business)	None	None	None	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes

# Additional Information on Directors Seeking Re-Election

NAME OF DIRECTOR	GUO HONG XIN	MA MING	MAK YEN-CHEN ANDREW	PAN SHUHONG <sup>(1)</sup>	NGOO LIN FONG <sup>(1)</sup>
<b>Other Principal Commitments* Including Directorships*</b> * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)					
Past (for the last 5 years)	2020 – 2021: Chairman of the Board, Nanjing Sunpower Holding Co., Ltd	None	28 December 2017 - 31 December 2020: Independent Director, China Jishan Holdings Limited (Previously listed on Singapore Exchange)  24 March 2014 - 29 February 2024: Independent Director, Falcon Energy Group Limited (Listed on Singapore Exchange)  28 June 2011 - 25 April 2024: Independent Director, Far East Group Limited (Listed on Singapore Exchange)  21 June 2010 - 29 April 2024: Independent Director, Leader Environmental Technologies Limited (Listed on Singapore Exchange)	Director of Memstar Technology Pte Ltd.  Director of Yarra Food (Shandong) Co., Ltd  Director of Yarra Shandong Retails Co., Ltd  Director of Yarra Supply Chain Co., Ltd  Director of Yarra Dabo Food (Guangzhou) Co., Ltd	Director of United Envirotech Water Resources Pte Ltd.  Director of Singapore Envirotech Accelerator Pte Ltd.  Director of United Envirotech (Hong Kong) Company Limited  Director of UE Novo (Malaysia) Sdn Bhd  Director of Dataran Tenaga (Malaysia) Sdn Bhd  Director of PT CITIC Envirotech Indonesia

# Additional Information on Directors Seeking Re-Election

NAME OF DIRECTOR	GUO HONG XIN	MA MING	MAK YEN-CHEN ANDREW	PAN SHUHHONG <sup>(1)</sup>	NGOO LIN FONG <sup>(1)</sup>
Present	<p>2015 - Present: Independent Non-Executive Director, Genscript Biotech Corporation (Listed on Hong Kong Stock Exchange)</p> <p>2014 - Present: Chairman, Sunpower Technology (Jiangsu) Co., Ltd</p> <p>2020 - Present: Executive Director of Nanjing Fuyou Investment Co., Ltd</p> <p>2020 - Present: Legal Representative of Zhuhai Hengqin Fuyou Investment Partnership (Limited Partnership)</p>	<p>2004 – Present: Executive Director, Sunpower Group Ltd.</p>	<p>1 April 2023 - Present: Independent Director, H2G Green Limited (Listed on Singapore Exchange)</p> <p>18 November 2021 - Present: Director, The Singapore Lyric Opera Limited</p>	<p>Director of United AI Greentech Ltd</p> <p>Director of Feynman Capital Pte Ltd</p> <p>Director of Eastern Sun Investment Pte Ltd</p> <p>Director of Joyfield Capital Sdn Bhd</p> <p>CEO of Yarra Food Pte Ltd</p> <p>Director of BLP Capital (Singapore) Pte Ltd</p> <p>Director of AsWater Advanced Envirotech Ltd</p> <p>Director of Shandong Murong Changyi Agricultural Technology Co., Ltd</p> <p>Director of Yarra Derong Agricultural Investment (Guangdong) Co., Ltd</p> <p>Director of BLP Capital Ltd</p> <p>Director of P&amp;L Capital Ltd</p> <p>Director of Joyfield Group Ltd</p> <p>Director of United Xinda Co., Ltd</p> <p>Director of Xinzhandong Co., Ltd</p>	<p>Director of Leader Environmental Technologies Limited</p> <p>Director of United Greentech Holdings Pte. Ltd.</p> <p>Director of NTI Memtech Pte. Ltd.</p> <p>Director of UG Water Pte. Ltd.</p> <p>Director of Leader Investment Pte. Ltd.</p>

# Additional Information on Directors Seeking Re-Election

NAME OF DIRECTOR	GUO HONG XIN	MA MING	MAK YEN-CHEN ANDREW	PAN SHUHONG <sup>(1)</sup>	NGOO LIN FONG <sup>(1)</sup>
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.					
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she ceased to be a partner?	No	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he/she was a director or an equivalent person or a key executive, at the time when he/she was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he/she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	<p>Yes</p> <p>Mr Mak was an Independent Director of Falcon Energy Group Limited ("Falcon"), a company listed on the SGX-ST (appointment date: 24 March 2014; cessation date: 1 March 2024).</p> <p>As announced by Falcon on 25 August 2021, Ambank (M) Berhad (Labuan Offshore Branch) filed a winding-up application against Falcon in the High Court of Singapore ("Winding-up Application").</p> <p>In an announcement dated 8 April 2024, Falcon announced that the Court had on 5 April 2024 made a winding-up order against Falcon; and appointed Mr Lim Loo Khoon and Mr Tan Wei Cheong, care of Deloitte &amp; Touche LLP, as the joint and several liquidators of Falcon.</p>	No	No



# Additional Information on Directors Seeking Re-Election

NAME OF DIRECTOR	GUO HONG XIN	MA MING	MAK YEN-CHEN ANDREW	PAN SHUHONG <sup>(1)</sup>	NGOO LIN FONG <sup>(1)</sup>
			<p>On 1 November 2024, the liquidators of Falcon announced that (a) the liquidators had, on 20 September 2024, submitted an application to SGX-ST for the delisting of Falcon from the Mainboard of SGX-ST (the “Delisting Application”); and (b) SGX-ST would proceed to remove Falcon from the Official List at 9.00 a.m. on 15 November 2024.</p> <p>Please refer to SGXNet for the above and all related announcements by Falcon.</p> <p>As an Independent Director, Mr Mak did not have any executive role or involvement in the day-to-day management or operations of Falcon. The winding-up application pertained to a debt owed by Falcon to the creditor bank. Mr Mak was not the subject of the winding-up application. The winding-up order was made subsequent to Mr Mak's cessation as an Independent Director.</p>		
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No	No
(d) Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such purpose?	No	No	No	No	No

# Additional Information on Directors Seeking Re-Election

NAME OF DIRECTOR	GUO HONG XIN	MA MING	MAK YEN-CHEN ANDREW	PAN SHUHONG <sup>(1)</sup>	NGOO LIN FONG <sup>(1)</sup>
(e) Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such breach?	No	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him/her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No
(g) Whether he/she has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No
(h) Whether he/she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No
(i) Whether he/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No	No

# Additional Information on Directors Seeking Re-Election

NAME OF DIRECTOR	GUO HONG XIN	MA MING	MAK YEN-CHEN ANDREW	PAN SHUHONG <sup>(1)</sup>	NGOO LIN FONG <sup>(1)</sup>
<p>(i) Whether he/she has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p>			<p>Yes</p> <p>Mr Mak is an Independent Director of H2G Green Limited ("<b>H2G</b>"), a company listed on the SGX-ST and wishes to make the following disclosure.</p> <p>On 2 May 2024, H2G announced, inter alia, that:</p> <p>(a) Mr Lim Shao-Lin ("<b>Mr Lim</b>"), the Executive Director and Chief Executive Officer of H2G, has been charged under the Employment of Foreign Manpower Act 1990 of Singapore for making false statements to the Controller of Work Passes, and his case is fixed for trial on 5 August 2024 at the State Courts. One of the charges in Mr Lim's case pertains to a former employee of H2G ("<b>Relevant Matter</b>");</p>		

# Additional Information on Directors Seeking Re-Election

NAME OF DIRECTOR	GUO HONG XIN	MA MING	MAK YEN-CHEN ANDREW	PAN SHUHONG <sup>(1)</sup>	NGOO LIN FONG <sup>(1)</sup>
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he/she was so concerned with the entity or business trust?	No	No	<p>(b) other than Mr Lim himself, none of the directors and/or key management personnel of H2G and its group companies have been ordered or requested to assist in the Ministry of Manpower's investigations on the Relevant Matter; and</p> <p>(c) H2G and its group companies are not the accused charged in respect of the Relevant Matter.</p> <p>His trial is into its second tranche of the trial hearings. Please refer to SGXNet for the above and all related announcements by H2G.</p> <p>As an Independent Director, Mr Mak does not have any executive role or involvement in the day-to-day management or operations of H2G. The Relevant Matter predates Mr Mak's appointment as an Independent Director. Mr Mak has not been ordered or requested to assist in the Ministry of Manpower's investigations on the Relevant Matter.</p>	No	No
(k) Whether he/she has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No	No

# Additional Information on Directors Seeking Re-Election

NAME OF DIRECTOR	GUO HONG XIN	MA MING	MAK YEN-CHEN ANDREW	PAN SHUHONG <sup>(1)</sup>	NGOO LIN FONG <sup>(1)</sup>
<b>Disclosure applicable to the appointment of Director only</b>					
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience.  If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.  Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable. This relates to the re-appointment of Director.	Not applicable. This relates to the re-appointment of Director.	Not applicable. This relates to the re-appointment of Director.	Not applicable. This relates to the re-appointment of Director.	Not applicable. This relates to the re-appointment of Director.

## Note (1)

As announced by the Company on 28 March 2025, Mr Lin Yucheng, Joyfield Group Limited and Ms Pan Shuhong (and together with BLP Capital (Singapore) Pte. Ltd. collectively, "**BLP Concert Party Group**") were allotted 46,067,301 Convertible Bonds (as hereinafter defined), comprising 46.3% of the aggregate principal amount of Convertible Bonds available under the renounceable non-underwritten rights issue ("**Rights Issue**") of up to S\$99,460,767 in aggregate principal amount of 7.00% convertible bonds ("**Convertible Bonds**") convertible into up to 397,843,068 new ordinary shares in the capital of the Company.

Under Condition 9 of the terms and conditions of the Convertible Bonds ("**T&Cs**"), holders of the Convertible Bonds who hold more than 25% of the principal amount of the Convertible Bonds (at issuance) shall be entitled to nominate two persons to the Board. Therefore, the BLP Concert Party Group will be entitled to exercise the right to nominate a maximum of two persons to the Board upon issuance of the Convertible Bonds pursuant to Condition 9 of the T&Cs. As at 28 March 2025, the Company expects that the Convertible Bonds will be issued on or about 3 April 2025 ("**Issue Date**").

The BLP Concert Party Group has informed the Company that it intends to nominate Ms Pan Shuhong and Mr Ngoo Lin Fong to the Board on the Issue Date in accordance with Condition 9 of the T&Cs. As at the 28 March 2025, the Company intends to appoint Ms Pan Shuhong and Mr Ngoo Lin Fong as Non-Executive and Non-Independent Directors of the Company on the Issue Date.







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## ANNUAL REPORT 2024

### **Sunpower Group Ltd.**

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People's Republic of China

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