中聖集團
SUNPOWER GROUP LTD.

SUNPOWER GROUP LTD.

Investor Presentation

12 May 2021

AGENDA

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SUNPOWER at a Glance

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Sunpower Group at a Glance

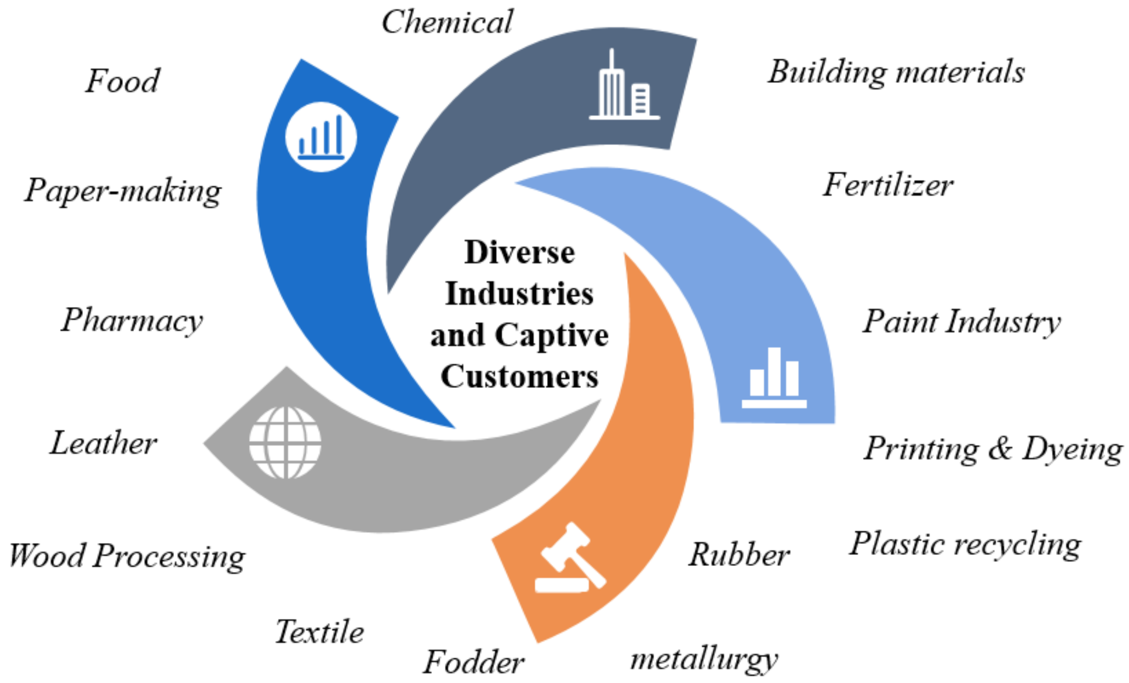
- **>20 Years of Proven Track Record**: Established in 1997, listed on SGX since 2005.
- **Environmental Protection Solutions Specialist:** clean power to reduce air pollution, energy-saving solutions, waste heat recovery
- **Record results in FY2020:** Group revenue reached record high of RMB4.06 billion, while PATMI (1) also hit record high of RMB377 million (exceeding CB performance target) with CAGR of 48% in 2017-2020.
- **Sustained growth pace maintained in 1Q2021:** In 1Q2021, group revenue rose 31.2% to record RMB882.8 million, PATMI grew 17.0% YoY to RMB59.7 million. Significant improvement in underlying operating cash inflow (2) of RMB223.6 million.
- **GI business grew at rapid pace since 2018 in 1Q2021:** GI revenue rose 61.2% YoY to RMB417.6 million and GI EBITDA rose 45.9% YoY to RMB115.2 million.
- Powered by GI, Sunpower has grown into a company **driven by long-term, high quality and recurring income and cashflows.**
- **Update on the Proposed Disposal of M&S business (3) :** resolutions were passed by Shareholders at the SGM on 16 April 2021. On 30 April 2021, RMB2.21 billion, an amount equal to 96.51% of the Consideration, has been escrowed into the Onshore Escrow Account. Further, all of the Tranche 1 Conditions have been satisfied.

(1) PATMI refers to the “Profit for the year attributable to equity holders” in the “WITHOUT financial effects of Convertible Bonds and Warrants” column of the P&L statement, which adjusts “Profit for the year attributable to equity holders” in the “WITH financial effects of Convertible Bonds and Warrants” column for amortised interest expenses, fair value adjustments and foreign exchange gains or losses associated with the Convertible Bonds and Warrants.
(2) Underlying operating cash flow adjusting for CB interest of RMB21.0 million.
(3) As disclosed in the circular dated 31 March 2021 ("Circular") to the shareholders in relation to, inter alia, the sale and purchase agreement (the "SPA") entered into between Sunpower International Holding (Singapore) Pte. Ltd. ("Sunpower International"), a wholly-owned subsidiary of the Company, and Nanjing Sunpower Holdings Co., Ltd. (南京中圣控股有限责任公司) (the "Purchaser") on 31 December 2020, pursuant to which Sunpower International has agreed to sell, and the Purchaser has agreed to acquire, the entire issued and paid-up share capital of Sunpower Technology (Jiangsu) Co., Ltd. (中圣科技（江苏）有限公司), an indirect wholly-owned subsidiary of the Company, on the terms and subject to the conditions of the SPA (the "Proposed Disposal").

Sunpower Group at a Glance

Green Investment (GI)：Value Creator and Growth Driver that generates long-term, high-quality and recurring income and cashflows

GI is an asset-based business where the Group invests in and operates centralized facilities that supply industrial steam to a wide range of diverse industries, supported by structural demand; provides pollution-free civil heating to a large base of households; and electricity to the State Grid.



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Investment Highlights

- GI, Value Creator and Growth Driver of the Group
- Significant Investment in GI and Strong Pipeline
- Well-positioned to Build Sizeable GI Portfolio
- GI Forms the Bulk of the Group's Value
- Professional and Disciplined Management Team
- DCP and CDH as Strategic Institutional Investors to support the Group

GI – Value Creator and Growth Driver of the Group

Enormous Business Opportunities in China's Anti-smog Sector

- **Government orders mandatory closure of small dirty boilers.** Manufacturing plants in industrial parks across China to use highly efficient centralised steam boilers
- **Factories are increasingly concentrated in industrial parks**, which **continue to expand in the long-term**
- **Exclusive supplier** of steam to industrial customers within industrial parks with typically **30-year concession agreements** and **first right to renew such concessions**

Valuable & Realisable Assets in GI Projects

- **High net present value (NPV) of long-term & recurring cash flows, and attractive double-digit project IRR**
- **High-quality cashflows due to captive customers**. Steam is a non-discretionary input for production by our industrial customers. Strong tariff collections
- **Solid cashflow growth potential** as steam demand growth driven by:
  (1) Immediate cross-over demand from mandatory closure of small boilers
  (2) Natural expansion of customers and industrial parks

GI - Value Creator and Growth Driver of the Group

Sunpower has an unique competitive edge and proven track record throughout GI business cycle

New Project Identification & Securement

- ✓ Proven track record, experienced business team
- ✓ Discipline and robust system in place for the selection and evaluation of projects
- ✓ Robust pipeline with attractive projects being evaluated

Project Investment

- ✓ GI permits/ concessions are highly sought-after assets with high entry barriers for new entrants
- ✓ Successfully established resilient and adaptable GI business model
- ✓ Strong strategic investor support by renowned private equity firms, DCP and CDH
- ✓ Multiple potential sources of funds to fund GI growth strategy

Project Construction, Reform and Upgrade

- ✓ Application of innovative technologies for environmental protection, energy-saving & long-distance steam distribution
- ✓ Know-how to reform and upgrade acquired plants to improve operation efficiency
- ✓ Experienced in project planning, management and construction

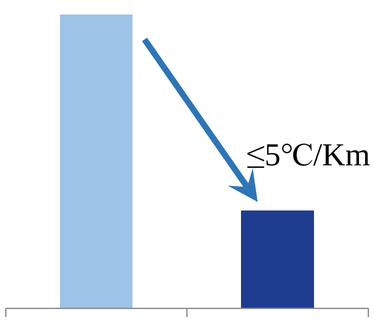
Project Operation

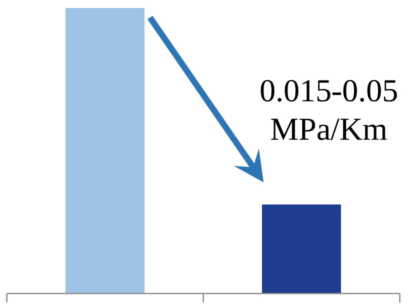
- ✓ Seasoned management and operational team
- ✓ Proven track record in operating GI projects with excellent results achieved
- ✓ Adoption of Circular Economy Model to reduce operating costs and help industrial parks achieve ultra-low emissions

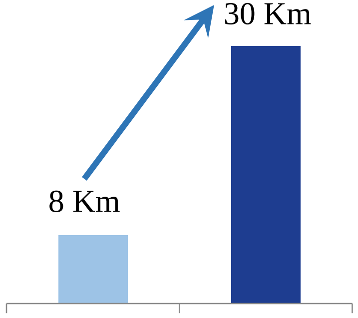
GI – Value Creator and Growth Driver of the Group

Innovative Technologies

- **Long Distance Steam Distribution Pipelines Technology**
  - Increase geographical reach to captive customers. Achieve economies of scale
  - Reduce feedstock ~ minimal temperature lost in transmission
- **Environmental Protection Technology**
  - Low nitrogen combustion technology
  - Desulphurization and denitrification technology
- **Energy Saving Technology**
  - High efficiency heat exchange technology
  - Gas-gas heater technology
  - Low temperature economizer technology
- **Ability to Reform and Upgrade Acquired Plants to Improve Operational Efficiency**



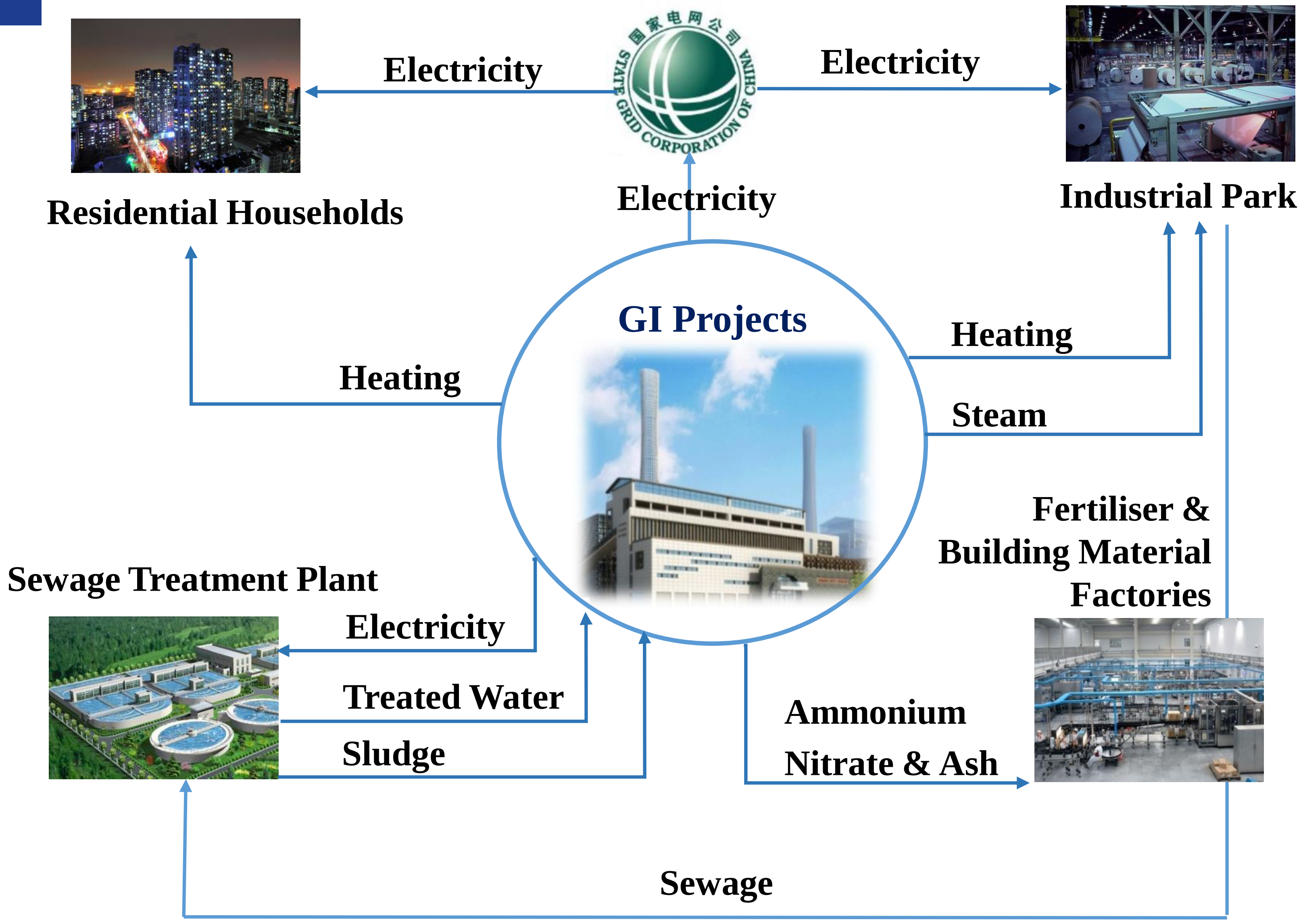




Emission Limit (mg/m3)	**New National Standard for New Build Coal-fired Boilers[1]**	**New National Standard for Coal-fired Power Boilers**	**New National Standard for Coal-fired Power Plants in Key Areas[2]**	**New National Standard for Natural Gas**	**Sunpower's Capability**
Dust	50	30	20	5	<5
Sulphur Dioxide, SO_2	300	100	50	35	<35
Nitrogen Oxide, NO_X	300	100	100	50	<50

(1) Standard applies to coal-fired power-generating boilers with a unit capacity of 65 tons/hour (t/h) or below
(2) Key Area refers to Beijing-Tianjin-Hebei region, Yangtze River Delta and Pearl River Delta of China
Source: Emission Standard of Air Pollutants for Boilers enacted by Ministry of Ecology and Environmental of PRC

GI –Value Creator and Growth Driver of the Group



Adoption of Innovative Circular Economy Model ("CEM") in GI Operations

- CEM is a closed-loop production model that cuts resource waste and pollution to a minimum through the re-using, repurposing and recycling of products and materials.

- It allows Sunpower to reduce cost while achieving ultra-low emissions for the industrial park where a GI plant is located.

Significant Investment in GI and Strong Pipeline

Rapid scale-up:

- Acquired **4** "brownfield" projects and built up **5** "greenfield" projects. **9** projects in operation.
- Shantou Project Phase 1 has ramped up quickly and expected to continue to ramp up. Xintai Zhengda Project, where part of the new facility is in operation, while construction of the remaining part is expected to be completed in 2021.

On track to build a sizeable GI portfolio:

- RMB726.9 million has been committed/invested in the equity of projects under construction.
- Construction of Shantou Phase 2 is expected to complete in 2021 and construction of Tongshan Project is expected to complete in 2021.
- Shanxi Xinjiang Project has started construction and is expected to complete by early 2022.
- Construction of the steam pipeline that connects Changrun Project to Sanli's facilities is progressing smoothly. Steam supply is expected to start in 2021

To date, RMB1.93 billion in equity has been invested /committed.

Update on GI Investments to-date

Status	Total Investments (RMB mm) (2)	Project Equity (RMB mm)
In Operation	3,296.0	1,207.4
Under Construction (1)	2,363.0	726.9
Amount Invested and Committed	**5,659.0**	**1,934.3**

Notes: based on current estimates or forecast

(1) Including Tongshan Project Phase 1 and Shanxi Xinjiang Phase 1, which assumes capital structure ~30% equity / 70% debt.
Part of new facility of Xintai Zhengda project has started commercial operation, and the remaining part is under construction.

(2) Assuming ~40% equity/60% debt.

Tangible progress on pipeline:

- A couple of projects in late stages of evaluation.
- Robust pipeline of projects in different stages of evaluation with total equity value **>RMB3.5 billion.**

Well-positioned to Build Sizeable GI Portfolio

	Projects	Steam/Heat Designed Capacity	Electricity Designed Capacity	Project Equity (RMB'm)
In Operation & Trial Production	Changrun Project (Phase 1)	2×220 tons/hour (t/h)	2×25MW	434.1
	Yongxing Plant	2×100t/h+1×150t/h	2×18MW	306.0
	Xinyuan Plant	3×75t/h+1×220t/h	2×6MW+1×25MW	85.0
	Suyuan Plant	1×90t/h+2×75t/h	1×B7MW	117.2
	Lianshui Project	2×40 t/h	n.a	38.3
	Quanjiao Project	1×40 t/h	n.a	49.2
	Xintai Zhengda Plant (old facility and part of new facility) (1)	n.a	n.a	n.a
	Jining Project	n.a	n.a	10.3
	Shantou Project (Phase 1)	3×150t/h	2×20MW	167.3
Under Construction	Tongshan Project (Phase 1)	1×130t/h	1×35MW	126.0
	Shanxi Xinjiang Project-phase1	1×130t/h	1×C15MW	131.2
	Xintai Zhengda (part of new facility) (1)	3×130t/h	1×35MW+1×18MW	287.1
	Shantou Project (Phase 2)	2×260t/h	2×30MW	132.6
	Changrun Project- Connection to Sanli (2)	n.a	n.a	50.0
Amount invested/committed				**1,934.3**
In Design Phase	2 projects	n.a	n.a	116.4
Pipeline (2)		n.a	n.a	453.1
Total				**2,503.8**

Notes: (1) The old plant ceased operations from April 2021 and existing customers are being supplied with steam from the new facility. Part of the new facility has started commercial operation, and the remaining part is under construction. (2) Acquired the exclusive right to supply steam to Sanli for 25 years, construction of the pipeline connection to Sanli is expected to complete in 2021.

GI Forms the Bulk of the Group Value[(1)]

- Sunpower has seen continued ramp-up of GI operations and is well prepared for the next phase.
- Successfully enhanced into a company driven by long-term, recurring, high-quality income and cashflows.
- Aim to deliver long-term NPV of future cashflows, substantially higher than current contributions.[(1)]
- Following the disposal of the M&S business, Group's principal business will be the GI business, which Sunpower believes it is in a favourable position to further expand in a large addressable market.

Notes:
(1) Part of Xintai Zhengda's new plant is in operation, the Old plant ceased operations from April 2021. The old plant andnew plant are counted as one project.
(2) Phase 1 of Shantou Project is in operation.

(1) Based on the Company's long-term discounted cashflow forecasts

Professional and Disciplined Management Team

As seasoned individuals in the GI Business, the key management of GI business possess specialised skills and have well-established procedures and extensive experience in place to ensure excellent operation and management of the GI Business

Co-Founder
Executive Director

Mr. Tang Hao
Group Vice President
General Manager of JSCE*

Mr. Shi Shaolin
Group Financial Director
Deputy General Manager of JSCE*

Mr. Sha Jianhua
Deputy General Manager of JSCE*

Mr Zheng Xiaodong
Deputy General Manager of JSCE*

Notes* JSCE refers to Jiangsu Sunpower Clean Energy Co., Ltd.

DCP and CDH are Strategic Institutional Investors

- Among the largest and most experienced Chinese private equity (PE) investors.
- Invested US$130 million in Sunpower through issued convertible bonds to-date. Provide institutional support for Sunpower's **long-term growth**.
- Strong track record of investing and nurturing many leading companies in China.

DCP and CDH Team's Selected Investment Portfolio

Belle International (百丽鞋业)
China's Leading Women Shoes Retailer

Mengniu Dairy (蒙牛乳业)
China's Leading Dairy Company

Nanfu Battery (南孚电池)
China's Leading Alkaline Battery Producer

Qingdao Haier (青岛海尔)
Global Leader in Home Appliances

Hengan International (恒安集团)
China's Largest Napkin and Diaper Producer

Ping An Insurance (平安保险)
China's Leading Insurance Provider

Modern Dairy (现代牧业)
China's Leading Dairy Company

WH Group (万州国际)
Global Leader in Meat Processing

Greenland Group (绿地集团)
China's Leading Real Estate Conglomerate

Midea Group (美的集团)
Global Leader in Home Appliances

CICC (中国国际金融有限公司)
China's Leading Investment Bank

Focus Media (分众传媒)
China's Largest Out-of-home Advertising Network

COFCO Meat (中粮肉食)
China's Leading Meating Processing Company

Uxin (优信拍)
China's Leading Online Used-car Platform

Source: DCP and CDH, as of Mar 2018. Please note that all risk disclosure, disclaimers and other similar content in the Private Placement Memorandum, dated February 22, 2018, and the Preliminary Information Document, dated August 10, 2017, of DCP Capital Partners, L.P. apply to the information above.

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Rapid Expansion of GI Business Exceeded Expectations

- GI's leap forward has only taken 3 years after the issuance of 2 rounds of CBs from 0 to 9 projects in operation.
- With double-digit IRR, all GI projects in operation are in line with or even beating the Company's targets.
- Sunpower is on track to materialize the enormous growth potential of the GI strategy.

0

Projects in Operation

1st

mover in the industry

March 2017

9 Projects in Operation

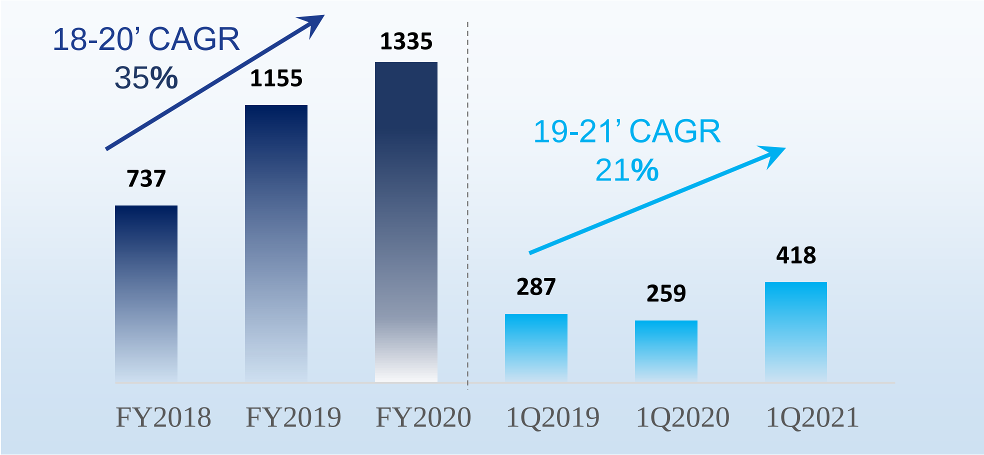
By 2020

Sizeable GI portfolio that delivers long-term, recurring and high-quality income and cashflows

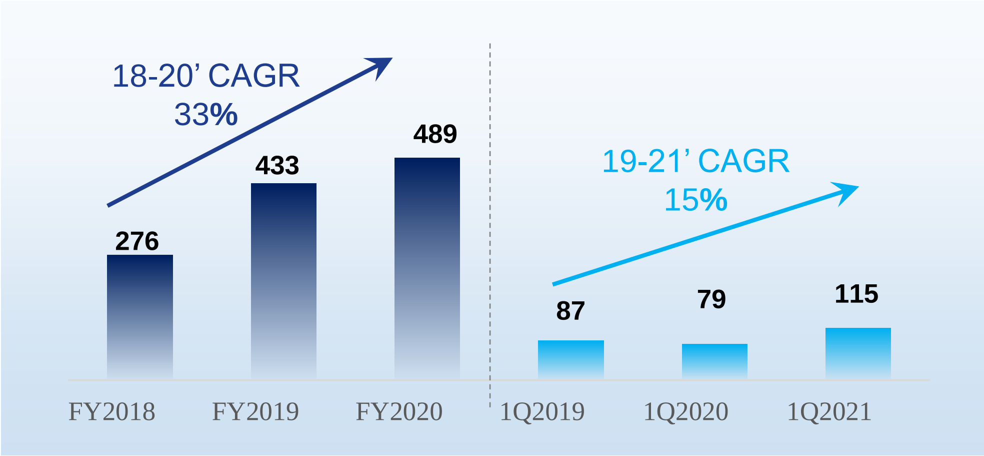
By 2021

GI Performance Remains Resilient Despite Pandemic

Revenue (RMB mil)



EBITDA (RMB mil)



- Despite the pandemic, GI contributions to the Group continued to grow and **provide long-term, recurring, high-quality** income.
- **GI growth in 1Q2021 continued to be driven by**
  a) 9 GI projects in operation vs 8 projects in operation and 1 in trial production in 1Q2020,
  b) continued and rapid rampup of GI plants such as Shantou Phase 1,
  c) expansion in customer base of the operational projects, and
  d) firm and effective control of the pandemic in China.
- GI projects are **still ramping up**, the long-term **Net Present Value** ("NPV") of future cashflows generated by the GI business is expected to be substantially **higher** than the latest reported period.*
- The recurring organic cashflow of GI will be a funding source for future GI expansion in the long term.

* Based on the company's long-term discounted cashflow forecasts

Strategy to Grow Earnings with Quality Remains on Track

For 2021, Sunpower intends to continue to execute the following two-pronged strategy with emphasis on the quality of development that amplifies its strengths:

- **By solidifying its market position as an environmentally clean centralised provider of industrial steam, heating and electricity through:**

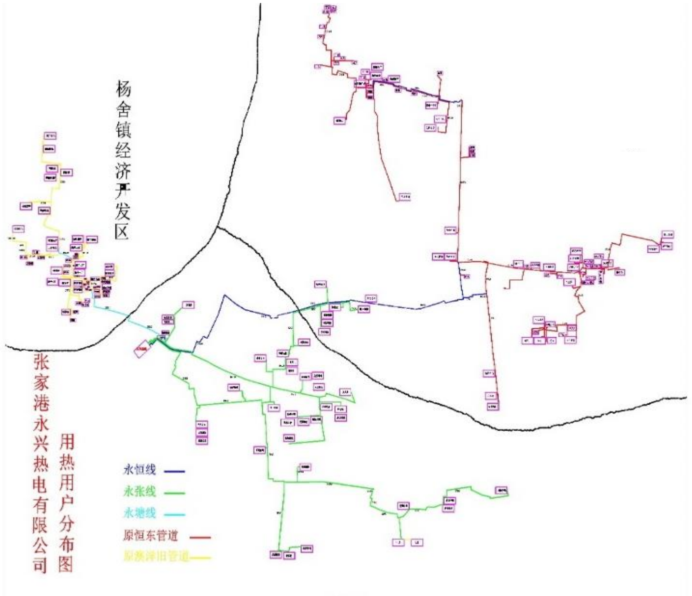
  (a) the continuous ramp-up of utilisation of its existing GI portfolio, supported by further expansion of the coverage areas and customer base of the projects but with less intense capital expenditure;

  (b) proceeding with the planned construction of the expansion phases of certain existing projects; and

  (c) the continuous cultivation of the earnings quality and asset returns of existing projects.

- **By tapping into its proven ability to identify and invest in additional promising GI projects that meet the investment hurdles of the Company.**

Yongxing Project



Geographic Distribution of Yongxing's Customers

Transaction done at attractive valuation multiple

Total investment of RMB765 million, secured by RMB306 million in project equity.

About Yongxing Plant

Sizeable capacity: 350t/h (steam)+36MW (electricity),

~160 km total length of pipeline.

Customer mix: captive customers concentrated in diverse, cashflow-rich industries, such as textile, printing & dyeing, food, chemical, metallurgy, paper making and others.

Product mix: steam & electricity

Plant Highlights

- **Strong fundamentals**
- **Latest status:** Post-acquisition upgrades completed. Strong improvements seen in operational efficiency and financial results.
- **Sustainable business model:**
  - ✓ **Exclusive** centralized steam supplier.
  - ✓ **Cost effective:** River water used to generate steam. Zero waste.
- **Ultra-low emissions:** lower than natural gas.
- **Long-term growth potential** supported by organic growth of large customer base.
- **High IRR:** double-digit investment returns.

Changrun Project

Investment:

Total investment of RMB934 million, secured by RMB434 million in project equity.

About Changrun Project – Phase 1:

Location: Gaoyang, Hebei (supplies 1/3 of household textiles in the whole of China).

Capacity: 2×220t/h (steam) + 2×25MW (electricity).

Pipeline network: ~50 km in length. **Customer mix:** >70 captive customers.

Project Highlights

- **Solid business fundamentals:**
  - ✓ Added **sales of electricity** to complement steam from 2018.
  - ✓ Sludge incineration project passed "**Project Environmental Completion Acceptance**" assessment and went into operation smoothly in 2020.
  - ✓ Construction of steam distribution pipeline connecting Changrun Project to Sanli's facilities is **progressing smoothly. Steam supply is expected to start in 2021**.
- **Sustainable business model:**
  - ✓ **Exclusive** centralized steam supplier: 30-year concession + first right to renew.
  - ✓ **"Zero waste" circular economy model:** Treated waste water is used to generate steam, while plant waste outputs are sold to external factories.
  - ✓ **Ultra-low emissions.**
- **High IRR:** double-digit investment returns.

Shantou Project - Phase 1 in Commercial Operation and Ramping Up Rapidly

Shantou Project-Phase 1

Equity Investments

Phase 1	RMB 167 million
Phase 2	RMB 133 million

Phase 2 is under construction, and is expected to be completed in 2021

Capacity

	Phase 1	Phase 1 + Phase 2
Designed steam capacity (t/h)	3×150 (=450)	3×150 + 2×260 (=970)
Annualized steam supply capacity (GJ)	5.7 million (1)	19.0 million (2)

Notes: (1) With 2 boilers operational and 1 boiler as backup capacity to ensure constant steam supply to customers; (2) With 4 boilers operational and 1 boiler as backup capacity to ensure constant steam supply to customers

Location: Shantou Textile Circular Economy Industrial Park managed by Chaonan Textile, Printing and Dyeing Comprehensive Environmental Treatment Center

Project Highlights

- **Strong fundamentals:** Exclusive steam supplier with 38.5 years concession.
- **Ready-made, resilient customer base**:~128 qualified printing & dyeing companies relocating into the park in phases.
- **Large potential:** Textile and garment dyeing industry is a pillar industry in Shantou which contributed ~30% of the local GDP in 2017. Shantou is a major national producer of garments and has an established industry cluster.
- **Anticipated strong contributions** of **long-term, recurring and high-quality income and cashflows**, with **attractive double-digit IRR.**
- **Urgent need to deal with river pollution**: Shantou Project is one of the key water pollution control and alleviation measures put in place to clean up heavily-polluted Lianjiang River.

Xinyuan Project

Investment:

Total investment of ~RMB250 million, secured by RMB85 million in project equity.

About Xinyuan Project:

Location: Jimo, Qingdao, Shandong province.

Capacity	Xinyuan Project
Steam capacity (t/h)	**3×75+220 (=445)**
Electricity capacity (MW)	**2×6+25 (=37)**

Customer mix: captive customers concentrated in energy, printing and dyeing, clothing industries etc.

Investment Highlights:

Steady growth in the business of steam supply due to solid customer base in the local area, and its current manufacturing capacities have yielded stable sales of electricity.

Development potential of Jimo district is expected to boost growth in the business of Xinyuan Project.

Further expanded clean heating supply coverage area by **2 million m^2 area** in Jimo International Trade Park. Construction of steam distribution pipeline to this additional coverage area has started with the target to complete before the 2021 heating season.

Professional and experienced team that ensures continued smooth operation.

Suyuan Project

Investment:

Total investment of ~RMB293 million, secured by RMB117 million in project equity.

About Suyuan Project:

Location: Changshu, Suzhou, Jiangsu province. The textile industry has been a mainstay of Changshu's economy for the last 40 years with annual turnover of >RMB100 billion.

Capacity: 1×90 (t/h) + 2×75t/h (steam) + 1×B7MW (electricity).

Customer mix: ~49 captive customers in printing & dyeing industries. Downstream customers are recovering from the pandemic.

Investment Highlights:

Major upgrades: Operational performance and efficiency are expected to further improve with completion of plant upgrades.

Promising addition to the GI portfolio, with a positive and growing impact on medium to long term profitability. Projected to have **attractive IRR**.

Exclusive centralized steam supplier within its coverage area.

Steam and electricity businesses have **grown steadily** in past 4 years.

Post-acquisition demand for its steam is expected to grow due to the mandatory closure of small "dirty" boilers and relocation of companies into the coverage area.

Established industry cluster in Changshu provides Suyuan Plant with a **resilient and attractive customer base.**

Tongshan Project

Estimated investment of ~RMB420 million for Phase 1, secured by investment of RMB126 million in project equity.

Capacity

	Phase 1	Total
Designed steam capacity (t/h)	**1×130**	**2×130 (=260)**
Designed electricity capacity (MW)	**1×35**	**2×35 (=70)**

Construction of Phase 1 is expected to be completed in 2021

Location: Xuzhou, Jiangsu province, ranked 28th among China's "Top 100 Districts" for investment potential in 2018

Project Highlights

- **A biomass cogeneration project** to supply clean heating to local residents as well as electricity to the State Grid, which differentiates it from a pure biomass power plant.
- Used as a **natural gas replacement**, biomass as a fuel source to supply steam/heating will help the local government to **address people's livelihood issues** and **alleviate the cost of heating subsidies**. It will also reduce pollution and realise energy conservation through the combustion of local agricultural waste. As such, this investment is **fully aligned with China's national development policies** and is expected to gain more support from the local government**.**
- **Grant of 30-year concession right by the local government,** effectively delivering the Group a captive market for heat within a radius of 20 kilometers of the project.
- **Ready base of resilient customers in the concession area** can be expected to ensure immediate customer subscriptions, providing immediate revenue flows for the Project once commissioned.
- **Abundant local biomass resources** can meet the biomass demand of the project.

Shanxi Xinjiang Project

Estimated investment of ~RMB328 million for Phase 1, secured by investment of RMB131.2 million in project equity.

Construction is expected to complete by early of 2022.

Capacity

	Phase 1	Total
Designed steam capacity (t/h)	**1×130**	**3×130 (=390)**
Designed electricity capacity (MW)	**1×C15**	**1×C15+1×C25 (=40)**

Location: Xinjiang Circular Economy Demonstration Park, Yuncheng City, Shanxi Province

Project Highlights

- Xinjiang Circular Economy Demonstration Park is a **provincial-level industrial park with an established complete upstream and downstream value chain.**
- **Existing concentration of high-end customers provides ready pool of demand** from industries such as high-end equipment manufacturing, new materials, fine chemicals and dyes.
- Operating under the concept of circular economy, the park already has **centralized utilities infrastructure in place,** such as a water treatment facility.
- Shanxi Province is the largest source of natural fuel resources in China, which will enable Shanxi Xinjiang Project to have **access to fuel supply in close proximity**.

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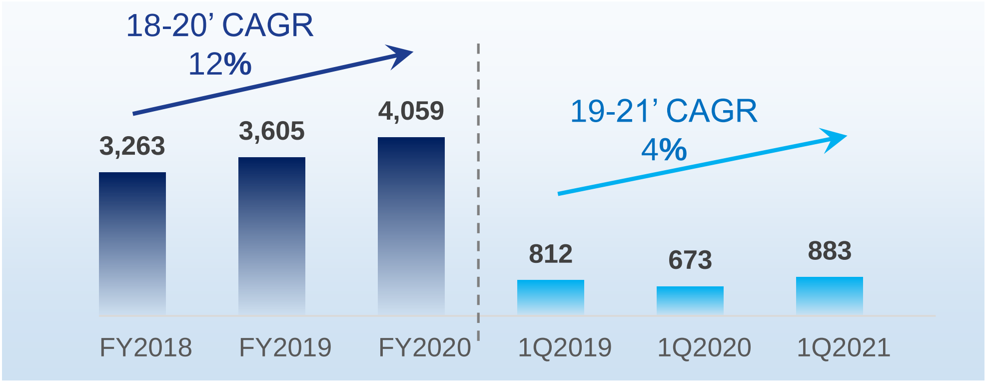
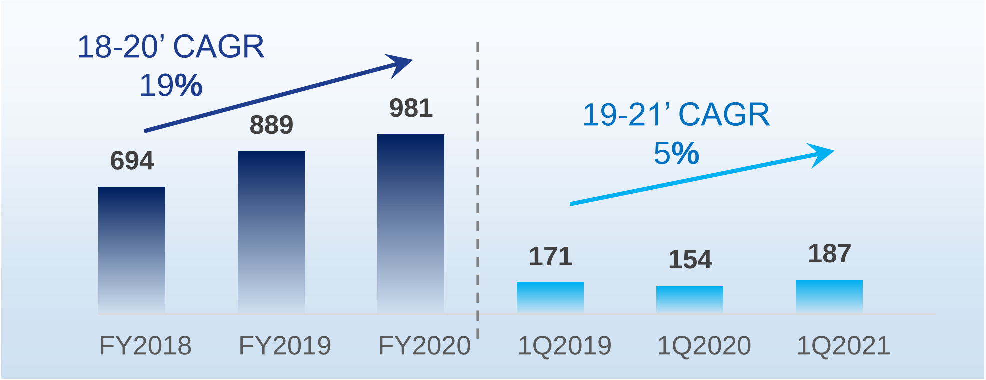
Maintained Sustainable Growth Pace Despite the Pandemic

Robust growth in 1Q2021, due mainly to continued strong operational execution, continued ramping up of existing GI projects, new GI projects commenced production, and supportive business conditions as a result of excellent pandemic control that resulted in stable and reliable YoY growth, led in particular by the GI business.

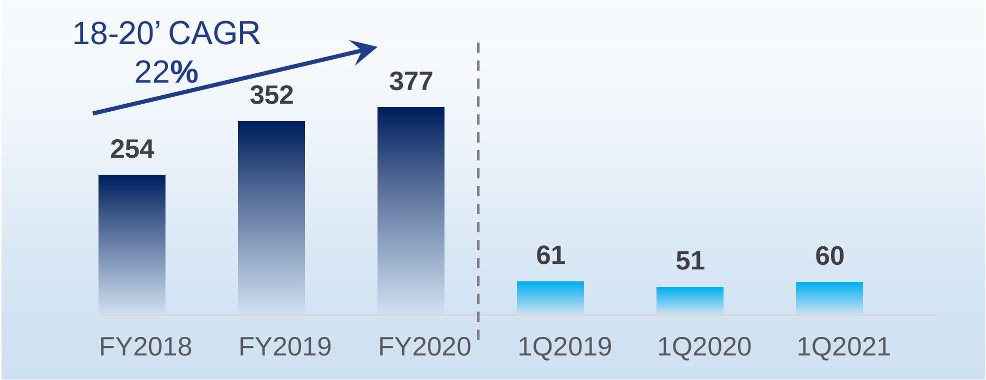
Revenue (RMB mil)



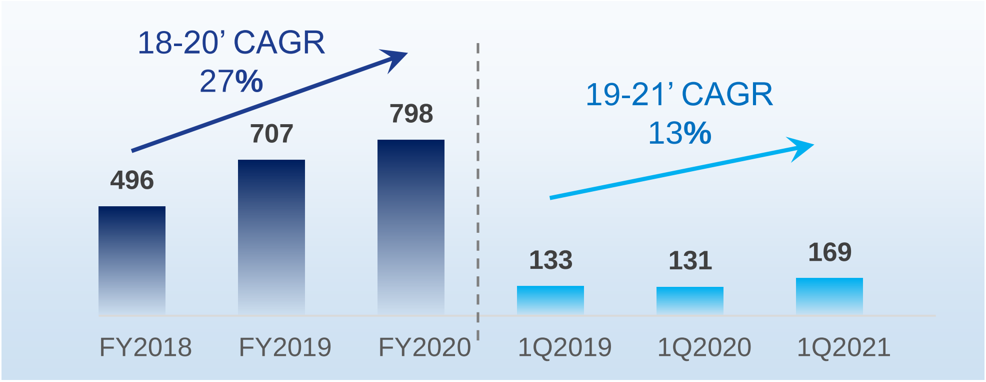
Gross Profit (RMB mil)



PATMI (RMB mil)



EBITDA (RMB mil)



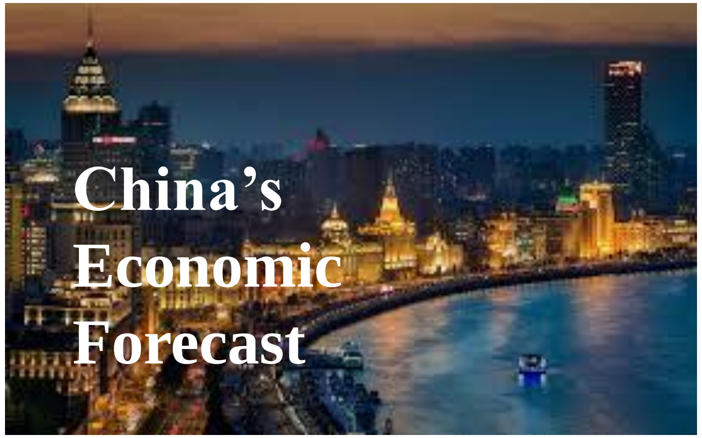
(1) PATMI refers to the "Profit for the year attributable to equity holders" in the "WITHOUT financial effects of Convertible Bonds and Warrants" column of the P&L statement, which adjusts "Profit for the year attributable to equity holders" in the "WITH financial effects of Convertible Bonds and Warrants" column for amortised interest expenses, fair value adjustments and foreign exchange gains or losses associated with the Convertible Bonds and Warrants.

China posted record economic growth in 1Q2021

1Q2021 GDP grew +18.3% YoY over 1Q2020 to RMB24.9 billion[(1)]

- Rebound led by exports and more recently, a steady pickup in domestic consumption
- Exports +38.7% YoY
- Retail sales +33.9% YoY (Average two-year growth: 4.2%)
- Industrial production +24.5% YoY (Average two-year growth: 6.8%)
  - Manufacturing +27.3% YoY (Average two-year growth: 6.9%)
  - Production and supply of electricity, thermal power, gas and water +15.9% YoY (Average two-year growth: 4.8%)

1Q2021 GDP grew +0.6% QoQ over 4Q2020, demonstrating China's steady recovery [(1)]



Economic Forecasts of China's GDP Growth	2021F
IMF[(2)]	8.4%
Bloomberg Economics[(3)]	9.3%
Organization for Economic Co-operation and Development (OECD)[(4)]	7.8%
Nikkei Research, NQN (Average forecast of Chinese economists polled)[(5)]	8.5%
Chinese Academy of Social Sciences (CASS) [(6)]	-8%

Source: (1) National Bureau of Statistics of China (2) https://www.globaltimes.cn/page/202104/1220371.shtml (3) https://www.forbes.com/sites/brendanahern/2021/03/26/asia-gains-2021-china-gdp-forecast-raised-week-in-review/?sh=13db22dc781c (4) https://www.globaltimes.cn/page/202103/1217900.shtml#:~:text=The%20IMF%20projects%20China's%20economy,than%208.5%20percent%20for%202021.(5) https://asia.nikkei.com/Economy/China-2021-GDP-to-beat-target-on-COVID-bounce-Nikkei-survey (6) https://baijiahao.baidu.com/s?id=1698056162093733673&wfr=spider&for=pc&searchword=%E4%B8%AD%E5%9B%BDGDP%E9%A2%84%E8%AE%A1%E5%A2%9E%E9%95%BF&ivk_sa=1023197a

Sunpower's GI Business Supports Such Growth Through the Provision of Clean Steam for Industrial Parks

■ **Steam is non-discretionary input for** production by our industrial customers situated the industrial parks which are main component of China's GDP and supports the continued growth of GDP.

■ **The energy-efficient centralized GI facilities also help to reduce the aggregate output of air pollutants, including carbon dioxide (CO_2), through:**
(a) the installation of environmental protection equipment in its plants to strip out such pollutants from plant emissions before they reach the air, and (b) by reducing the overall consumption of dirty fuels, as just one efficient, environmentally-friendly centralised GI plant can replace many inefficient high-emission stand-alone boilers that customers are mandated by law to shut down.

■ **Sunpower's GI facilities enable the virtuous circle of the Circular Economy model.**
With advanced technology, production materials of the GI projects, sewage, and sludge within the industrial park are recycled, reused and repurposed, resulting in the waste outputs becoming the production inputs of another company or industry downstream. The model acts as additional protection against environmental harm caused by resource wastage.

FY2021 Outlook

Barring unforeseen circumstances, the Group expects the business trends summarized below to benefit the GI business in FY2021. Please note that Sunpower's financial results should be viewed on a 12-month basis to arrive at a balanced perspective.

- **Anticipated additional contributions from new plants, namely:**

  a) Shantou Project, where Phase 1 is in commercial operation and will continue to ramp up rapidly. Phase 2 construction is expected to be completed in 2021

  b) Xintai Zhengda Project, where part of the new facility is in commercial operation, and construction of the remaining part is expected to be completed in 2021

  c) Tongshan Project, where construction of Phase 1 is expected to be completed in 2021

- **Continued ramp-up of existing GI projects, mainly driven by:**

  a) Continuous connection of new customers, following mandatory closures of small dirty boilers, mandatory location and/or relocation of new factories into industrial parks, and/or organic growth of customers and industrial parks served by the Group's GI plants

  b) Anticipated increase in demand for steam when Xinyuan Plant starts to supply clean heating to its new 2 million m^2 concession area in Jimo International Trade Park

  c) Changrun Project will start to supply Sanli under its 25-year exclusive supply contract once the construction of pipeline network is complete in 2021

Appendices

Financial Effects of Convertible Bonds (CBs) and Warrants

CBs were issued on 3 March 2017 and 15 October 2018 with the carrying amount of the Convertible Bonds currently stated at fair value as at 31 March 2017 and 15 October 2018 respectively. In accordance with SFRS(I), the financial effects on profit or loss associated with the issuance of compound financial instruments are as follows: (i) fair value change arising from fair valuation relating to the conversion option and Warrants and (ii) amortised interest charge relating to the amortised cost liability component of the Convertible Bonds and commitment fees of Warrants. The fair value change is an accounting treatment arising from the compliance with the accounting standards and has no cash flow effect and no financial impact on the performance targets in relation to the Convertible Bonds as stipulated in the Convertible Bonds Agreement stated in the circular dated 13 February 2017 and 21 August 2018 respectively.

The fair value change of the Convertible Bonds and Warrants and the related financial effects to the statement of profit or loss and other statements have no operational effects to the financial performance of the Group. Financial effects of Convertible Bonds and Warrants consist of unrealised foreign exchange translation, amortised interest expense (inclusive of interest charges) and fair value gain/(loss) of Convertible Bonds and Warrants.

In order to reflect the true operating performance of the Group, Sunpower uses “Profit for the year attributable to equity holders of the Company” in the “WITHOUT financial effects of Convertible Bonds and Warrants” column of the P&L Statement, which is after adjusting net profit attributable to shareholders (WITH the effects of CBs and Warrants) for amortised interest expenses and fair value gains or losses as well as foreign exchange gains or losses associated with the CBs and Warrants.

Income Statement Summary*

	1Q2021	1Q2020	Change (%)
Revenue (RMB million)	882.8	672.7	31.2
Gross Profit (RMB million)	187.4	154.4	21.4
EBITDA (RMB million)	168.9	131.3	28.6
PATMI[(1)] (RMB million)	59.7	51.1	17.0
EPS (RMB cents)	7.6[(2)]	6.5[(3)]	16.8

*Without financial effects of Convertible Bonds and Warrants

(1) PATMI refers to the "Profit for the year attributable to equity holders" in the "WITHOUT financial effects of Convertible Bonds and Warrants" column of the P&L statement, which adjusts "Profit for the year attributable to equity holders" in the "WITH financial effects of Convertible Bonds and Warrants" column for amortised interest expenses, fair value adjustments and foreign exchange gains or losses associated with the Convertible Bonds and Warrants.

(2) Based on the weighted average number of ordinary issued share capital (excluding treasury shares) of 790,313,698 ordinary shares.

(3) Based on the weighted average number of ordinary issued share capital (excluding treasury shares) of 789,306,142 ordinary shares.

Balance Sheet Summary*

(RMB million)	As of 31 March 2021	As of 31 December 2020
Cash and cash equivalents & pledged bank deposits	1,177.3	743.3
Trade Receivables	1,330.4	1,452.3
Inventories	668.2	541.0
Total Current Assets	4,111.0	3,354.4
Non-Current Assets	5,119.4	4,930.7
Short-term Borrowings	785.3	766.4
Current Liabilities	3,083.3	2,950.3
Long-term Borrowings	2,552.6	1,783.1
Convertible bonds liability	773.2	794.3
Equity attributable to equity holders of the Company	2,299.9	2,221.8
Total equity	2,599.2	2,535.1

*Without financial effects of Convertible Bonds and Warrants

Cash Flow Summary*

(RMB million)	As of 31 March 2021	As of 31 March 2020
Net cash generated from operating activities	202.6	(45.8)
Underlying operating cash flow	223.6[(1)]	(23.0)[(2)]
Interest expense	(37.6)	(23.7)
Net cash (used in) investing activities	(526.3)	(325.9)
Net cash from (used in) financing activities	737.6	172.4

(1) Underlying operating cash flow adjusting for CB interest of RMB22.7 million
(2) Underlying operating cash flow adjusting for CB interest of RMB21.0 million

*Without financial effects of Convertible Bonds and Warrants

Government's Consistent Policies on Anti-Pollution

Year	Policy
2021	Measures for the Administration of Carbon Emissions Trading (for Trial Implementation) Regulation on Permits for Pollutant Discharge
2020	Comprehensive Action Plan to Control Air Pollution in Beijing-Tianjin-Hebei and Surrounding Areas, and Fenwei Plain During Autumn and Winter of 2020-21 Comprehensive Action Plan to Control Air Pollution in Yangze River Delta Region During Autumn and Winter of 2020-2021
2019	Comprehensive Action Plan to Control Air Pollution in Beijing-Tianjin-Hebei and Surrounding Areas During Autumn and Winter of 2019-2020 Comprehensive Action Plan to Control Air Pollution in Yangze River Delta Region During Autumn and Winter of 2019-2020
2018	Three-year Action Plan for Winning the Blue Sky War
2017	China's 13th Five-Year Plan for National Eco-environmental Conservation Guidance to Boost the Development of Biomass Heating
2016	Heat-power Cogeneration Measures Environmental Protection Tax Law
2015	Clean and Efficient Use of Coal Action Plan (2015-2020) Work Plan for the Full Implementation of Ultra-low Emission and Energy-saving Improvement of Coal-fired Power Plants
2014	Circular on Issurance of Implementation Plan for the Comprehensive Improvement in Energy Conservation and Environmental Protection by Coal-fired Boilers
2013	Air Pollution Prevention Action Plan

01

SUNPOWER at a Glance

02

Investment Highlights

03

GI Performance

04

Financial Highlights

05 Q&A Session

AGENDA

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