



SUNPOWER GROUP LTD.

Founded in 1997 & Listed since 2005

Investor Presentation

14 November 2024



AGENDA

01 Sunpower Group At a Glance

02 Investment Highlights

03 Project Updates

04 Outlook

05 Q&A Session

Sunpower Group at a Glance

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

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

GI

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

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

Sizeable GI Portfolio
11 in operation

Typically Exclusive Concessions
Typically ~30 years

Recurring Income
100%

Ultra-low Emissions Capability

Circular Economy Model
Helps industrial parks achieve **ultra-low** emissions

+ Robust pipeline

Total Pipeline Length
~406 km

Number of Customer Industries
> 20

Typically B2B arrangement with price adjustment mechanism

Top 500 China Energy Enterprise (Group) ⁽¹⁾

(1) Sunpower Group was listed in the 2023 Top 500 China Energy Enterprise (Group), which was jointly released by China Energy News and China Institute of Energy Economics Research.

Sunpower Group at a Glance

➤ GI Business Maintained Continue Growth in 9M24 excluding provision for bad debt in 3Q24:

In 9M2024, total steam sales volume rose 10.2% YoY to 8.21 mil tons, GI recurring revenue⁽¹⁾ rose 1.3% YoY to RMB2,404.5 mil, GI recurring PATMI⁽¹⁾ (including provision for bad debt in 3Q24) was RMB190.2 mil, GI recurring PATMI (excluding provision for bad debt in 3Q24) grew 6.1% YoY to RMB270.3 mil

➤ **Focused on improving shareholders' value and investor return:** A substantial special dividend of S\$0.2412 per share was paid in 2021 following the disposal of the M&S business

➤ Honoured with multiple awards for its outstanding performance, including:

- Member of the China Association of Environmental Protection Industry
- Member of Renewable Energy Generation Branch of China Electric Power Promotion Council
- Awarded “Advanced Unit for Green and Low-Carbon Development under 14th Five-Year Plan”
- Awarded “2024 Top 10 Green ESG Model Environmental Contribution”



(1) Please refer to the 9M2024 Earnings Release or slide 38 of this presentation for definition. This document should be read in conjunction with the “3Q2024 and 9M2024 Earnings Announcement” released at the same time.



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Investment Highlights

- 1 **Leading** Provider of Industrial Steam with Development Strategy **Aligned** with National Policies
- 2 GI **Business Model** Proven to Generate **Long-term High-quality Recurring** Income
- 3 Proven Track Record in Delivering **Solid Financial Performance**
- 4 Well Positioned for **Long-term Growth Potential**
- 5 Practises **ESG and Sustainability** Values in Every Aspect
- 6 Professional and Disciplined **Management** with **Strong Execution and Entrepreneurship**
- 7 **Strong Institutional Investors** that Support the Group

Leading Provider of Industrial Steam with Development Strategy Aligned with National Policies

01

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

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



In alignment with national policies:

The 20th National Congress of the Communist Party of China ⁽¹⁾

14th Five-Year Plan (2021-2025) ⁽²⁾

... ..

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

(1) http://english.www.gov.cn/news/topnews/202210/25/content_WS6357df20c6d0a757729e1bfc.html

(2) http://english.www.gov.cn/policies/policywatch/202107/08/content_WS60e639b0c6d0df57f98dc92b.html

Leading Provider of Industrial Steam with Development Strategy Aligned with National Policies

02

“Clean” solution for rising steam demand



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



Already contributed to boiler shutdowns that reduced emissions

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



Eliminate “Multiple” pollution risk sources with just “One” centralized clean facility that achieves emission levels equal to or even lower than the national standard for natural gas emissions



Annual reduction of CO₂ emissions > **600,000 tons** ⁽¹⁾



Expected to replace **more** high-polluting small boilers ⁽¹⁾



Annual reduction of dust, SO₂ and NO_x > **65,000 tons** ⁽¹⁾



(1) The information is based on internal calculations and estimates of the Company.

Leading Provider of Industrial Steam with Development Strategy Aligned with National Policies

03

Pioneer adopter of the Circular Economy Model (“CEM”)

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



Benefits for Society

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



Benefits for Industrial Parks

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



Benefits for the Shareholders

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

GI Business Model Proven to Generate Long-term High-quality Recurring Income

01

High entry barriers

- Typically ~ **30-year exclusive concession rights** with first right of renewal and/or
- Extensive network of pipelines that typically enhance *de facto* exclusivity for industrial steam supply

02

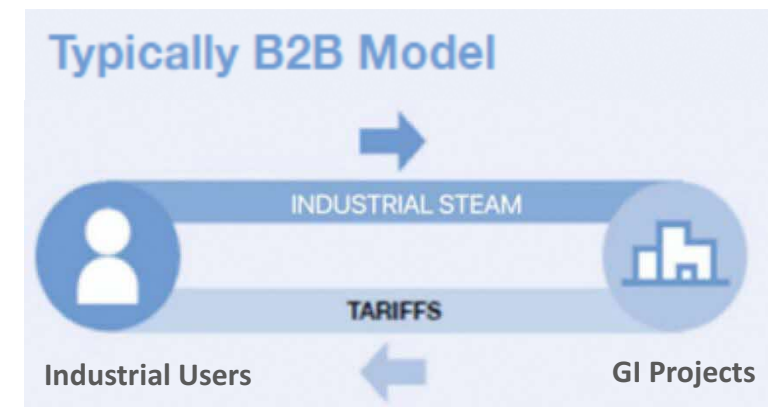
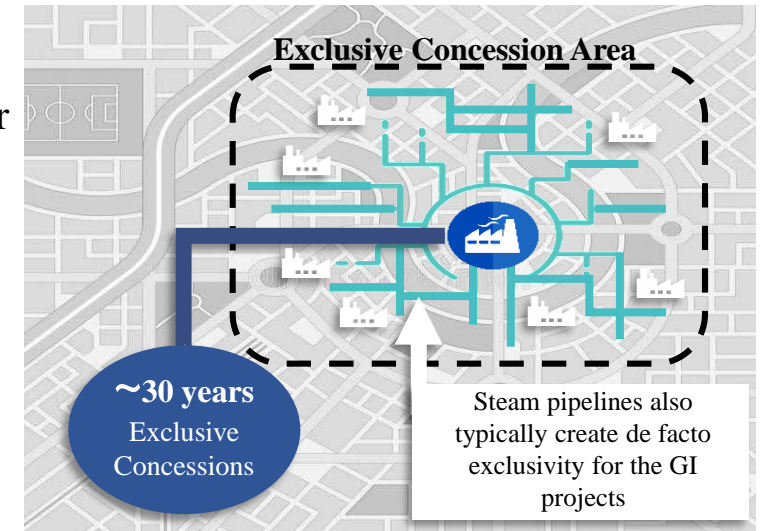
Strong tariff collection for industrial steam

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

03

Price adjustment mechanism links feedstock cost to industrial steam price

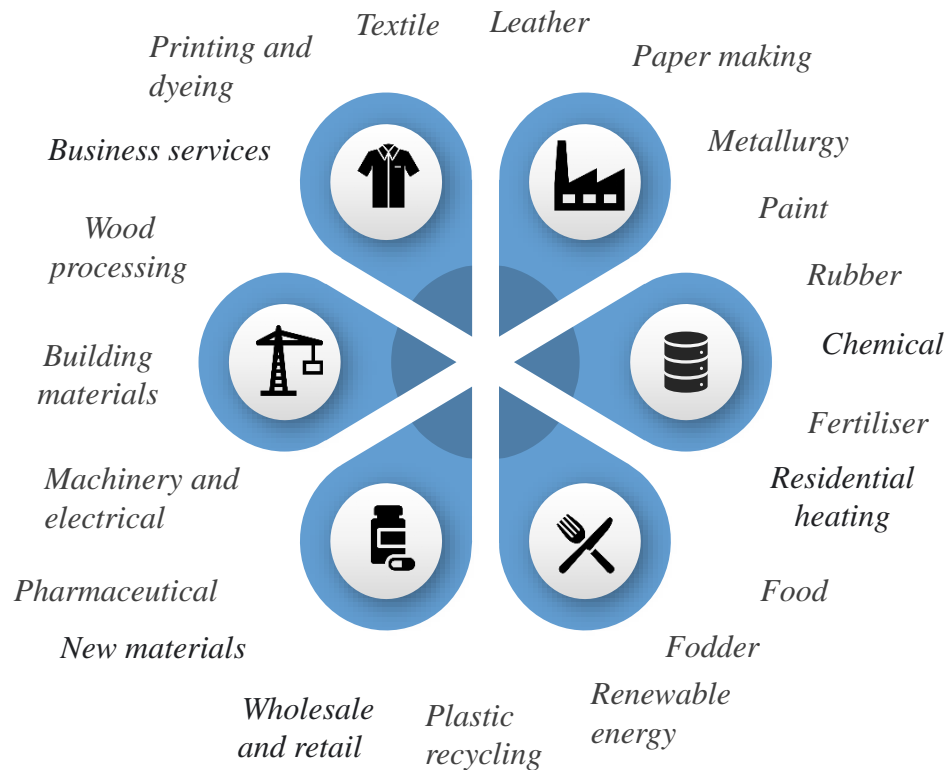
- Usually 2 ways to adjust: 1) primarily to adjust based on certain change of the fuel price with customers; 2) to adjust based on the government price guidance
- Support long-term profitability when viewed across cycles
- Maintain operational flexibility to achieve long-term growth



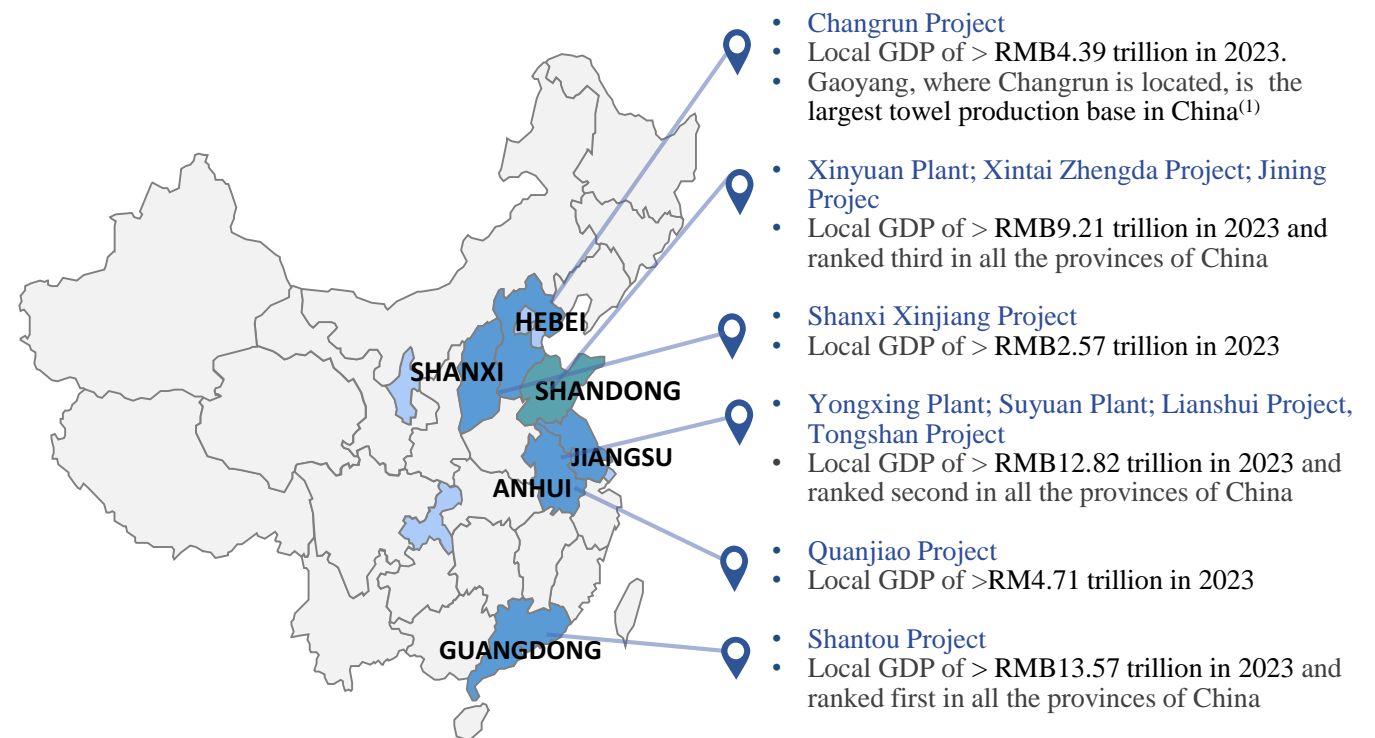
GI Business Model Proven to Generate Long-term High-quality Recurring Income

04 Resilient demand for steam

➤ **Large diversified customer base** from a **wide range of industries**



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



(1) <https://zixun.gpbctv.com/zixun/202104/154040.html>

GI Business Model Proven to Generate Long-term High-quality Recurring Income

05

Application of innovative technologies

➤ Long Distance Steam Distribution Pipelines Technology

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

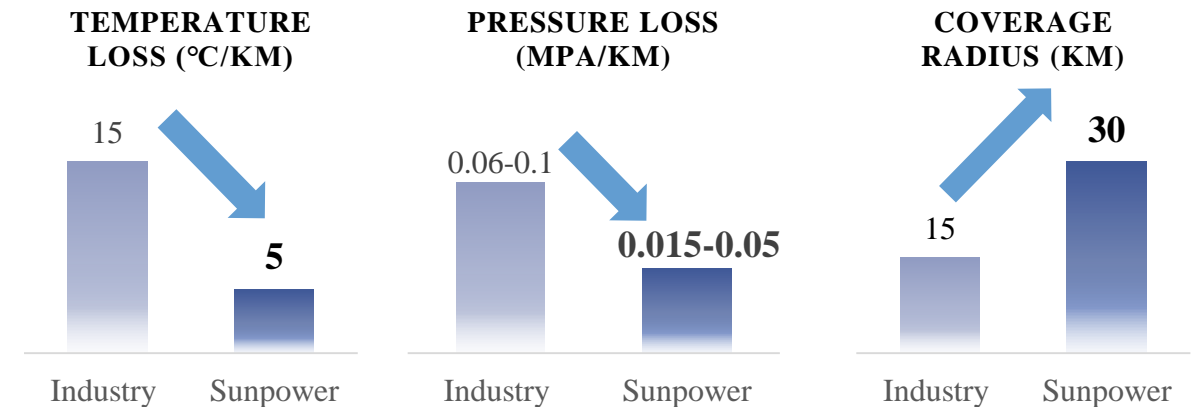
➤ Environmental Protection Technologies

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

➤ Energy Saving Technologies

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

➤ **Strong and proven ability to revamp and upgrade** acquired plants to improve operational efficiency



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

Emission Limit (mg/m ³)	Newly-built Coal-fired Boilers ⁽¹⁾	Newly-built Coal-fired Power Generation Boilers ⁽²⁾	Coal-fired Power Generation Boilers in Key Areas* ⁽²⁾	Natural Gas Boilers & Gas Turbines ⁽²⁾	Sunpower's Capabilities
Dust	50	30	20	5	< 5
SO ₂	300	100	50	35	< 35
NO _x	300	100	100	50	< 50

(1) 'Boiler Air Pollutant Emission Standard' by the Ministry of Ecology and Environment of the PRC (GB13271-2014)

http://www.mee.gov.cn/ywgz/fgbz/bz/bzwb/dqhjbh/dqgdwrywrwpfbz/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)

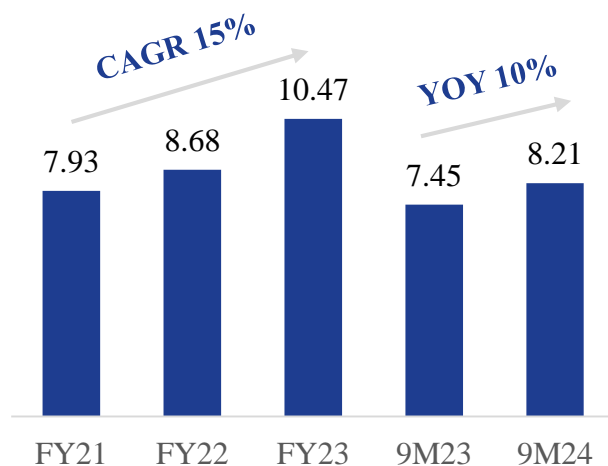
http://www.mee.gov.cn/ywgz/fgbz/bz/bzwb/dqhjbh/dqgdwrywrwpfbz/201109/t20110921_217534.shtml

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

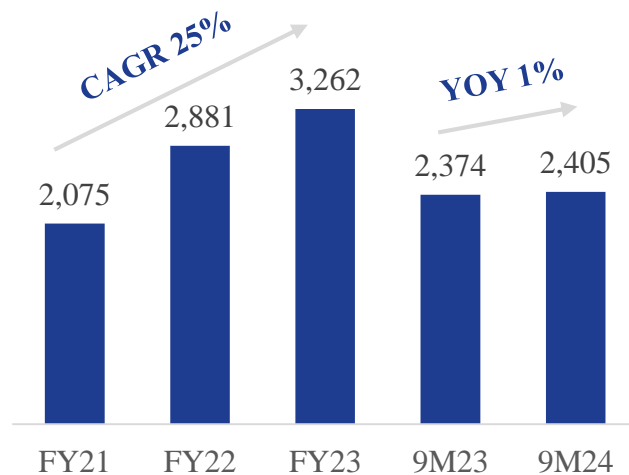
Proven Track Record in Delivering Solid Financial Performance

- Total steam sales volume rose **10.2% YoY** to 8.21 million tons in 9M24, driven by the continuing ramp-up of the GI projects.
- GI recurring PATMI⁽¹⁾ excluding a one-off provision for bad debt recorded in 3Q24 was RMB270.3 mill (+6.1% YoY).
- GI recurring PATMI including a one-off provision for bad debt recorded in 3Q24 was RMB190.2 mil (-25.4% YoY).

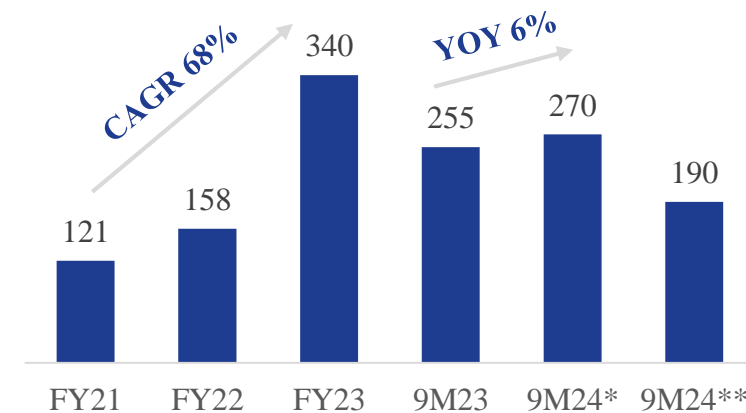
Total Steam Sales Volume
(million tons)



GI Recurring Revenue
(RMB million)



GI Recurring PATMI
(RMB million)



* Refers to the GI recurring PATMI excluding provision for bad debt.

** Refers to the GI recurring PATMI including provision for bad debt.

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Well Positioned to Capture Long-term Growth Potential

01

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

Key Growth Drivers



Organic growth of some customers and industrial parks served by GI plants



Continuous closures of small boilers drive demand to centralised facilities



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



Technological transformation and upgrades that improve project profitability



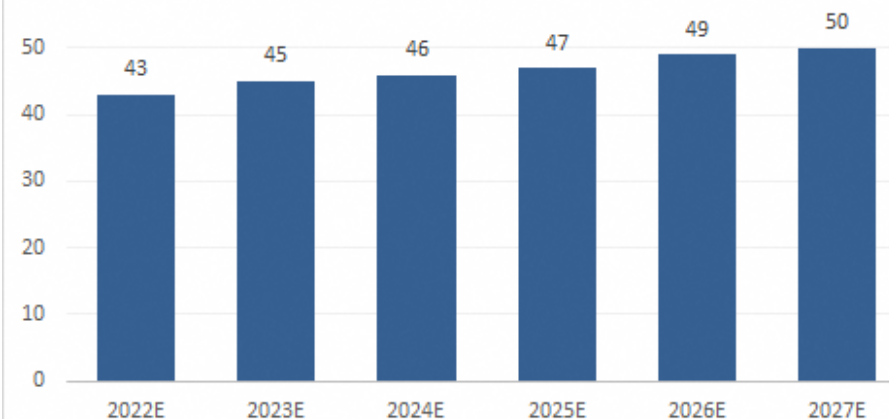
Well Positioned for Long-term Growth Potential

02

Large addressable market for urban heat supply in China

- Total demand for China's urban steam industry is expected to continue to increase with the promotion of energy conservation and emission reduction
- This is expected to provide growth potential and opportunities for the GI industry

Forecast of total demand of China's urban steam supply industry from 2022 to 2027 (100 million GJ)

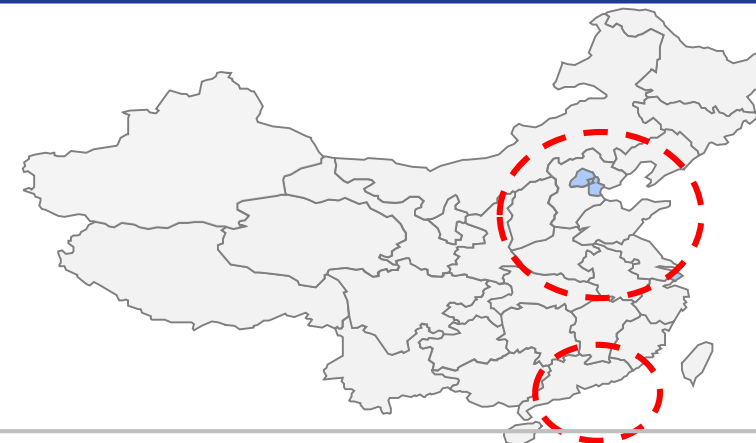


03

Robust pipeline of high-quality projects

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

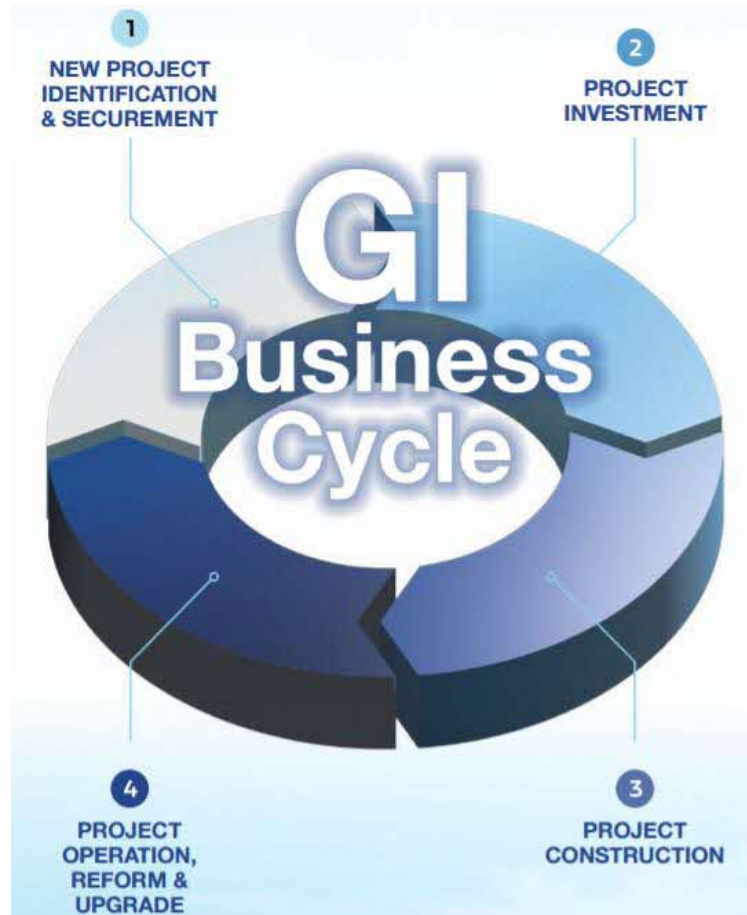
Pipeline under Evaluation



Well Positioned to Capture Long-term Growth Potential

04

Mature and replicable business model with a unique competitive edge across the GI business cycle to drive sustainable growth



01

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

03

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

02

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

04

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

Practises ESG and Sustainability Values in Every Aspect

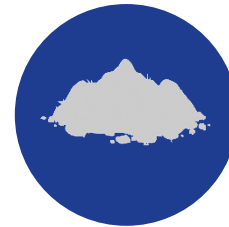
- Committed to sustainability by incorporating environmental, social and governance (ESG) values into every aspect.
- Undertakes the social responsibility to support the sustainable development of the economy and helps to build ultra-low emission circular economy industrial parks.



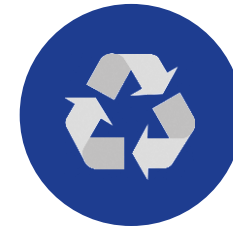
Ultra-low emissions that replace highly-polluted emissions



Zero discharge of sewage



Zero discharge of sludge



Recycling of waste

Environment

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

Social

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

Governance

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

Professional and Disciplined Management with Strong Execution and Entrepreneurship

Senior management are proven professionals with personal integrity

The management's proven capability to navigate the company through the various challenges will lay a strong foundation for future growth

➤ Top management team remains stable

- Post-M&S disposal, the GI business continues to be led by Mr Ma, co-founder of Sunpower

➤ Extensive experience of decades in GI business

- Seasoned and well-disciplined executives with specialised skills, strong execution capabilities and entrepreneurship



Ma Ming

Co-Founder & Executive Director



Tang Hao

Group Vice President
General Manager of JSCE⁽¹⁾



Shi Shaolin

Group Financial Director
Deputy General Manager of JSCE⁽¹⁾



Sha Jianhua

Deputy General Manager of JSCE⁽¹⁾



Xu Jun

Deputy Chief Engineer of JSCE⁽¹⁾

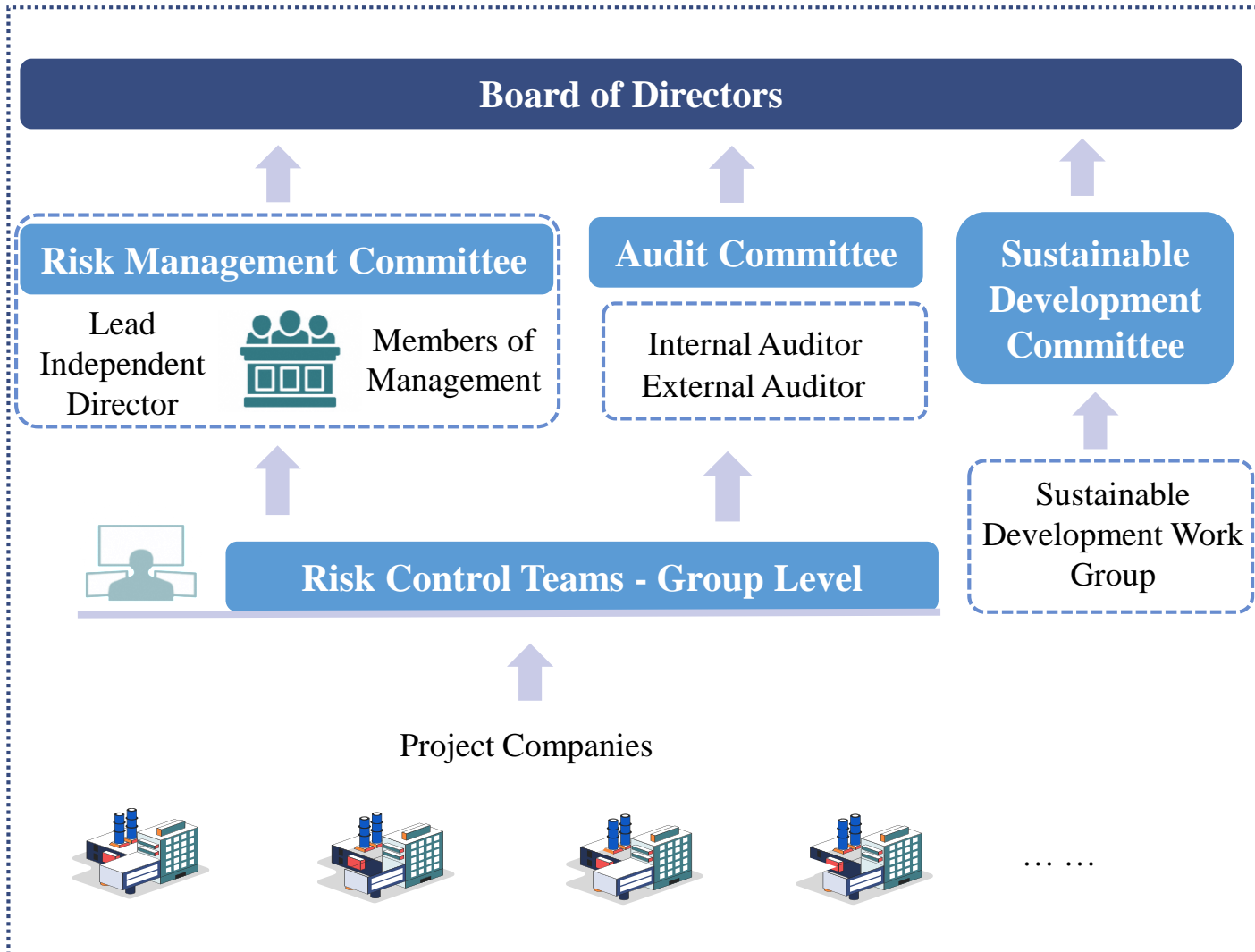


Wang Ning

Deputy General Manager of JSCE⁽¹⁾

(1) JSCE refers to Jiangsu Sunpower Clean Energy Co., Ltd.

Professional and Disciplined Management with Strong Execution and Entrepreneurship



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

Strong Institutional Investors that Support the Group

➤ Among the largest and most experienced Chinese private equity (PE) investors

➤ Invested US\$130 million in Sunpower through convertible bonds issued 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 TEAMS' 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 Meat Processing Company



Uxin
(优信拍)

China's Leading Online Used-car Platform



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Changrun Project

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



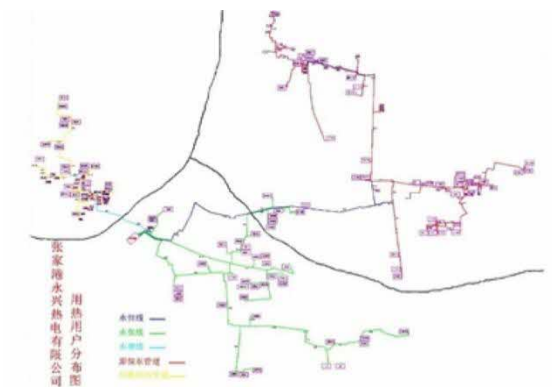
Yongxing Plant

Capacity	350t/h (steam)+36MW (electricity)
Product mix	Industrial steam & electricity
Customer mix	Diversified industries in textile, printing and dyeing, food, chemical, paper making, renewable energy, machinery manufacturing, etc.
Location	Zhangjiagang City, Suzhou, Jiangsu Province
Plant highlights	<p>1. Superior geographical location: Located in an economically developed region, with diversified customer industries. Coverage area is up to 173 sq km</p> <p>2. Reliable business model:</p> <ul style="list-style-type: none"> • Exclusive centralised steam supplier, with an extensive network of pipelines that enhances its de facto exclusivity • Ultra-low emissions, even lower than the emission standard of natural gas <p>3. Circular economy model: River water used to generate steam; blended combustion of industrial sludge diversifies feedstock mix; production wastes such as gypsum are sold to downstream building material factories</p> <p>4. Feedstock transportation dock nearby facilitates feedstock transportation</p> <p>5. Post-M&A completion of upgrades has seen operating efficiency and performance notably improved:</p> <ul style="list-style-type: none"> • Completion of extraction-pressure to back-pressure turbine technology upgrades will improve steam output and efficiency • Blended sludge combustion improved efficiency and increased revenue from 1Q 2021 <p>6. General solid waste JV plant is in operation</p>

Yongxing Plant



The Artist's Rendition of Yongxing's JV plant



Shantou Project –Ramping Up Rapidly

Nameplate Capacity	Phase 1: 3×150t/h (=450 t/h); Phase 2: 2 × 260t/h (=520 t/h)
Product mix	Industrial steam, compressed air, electricity
Mix of end-customers	Ready-made "base of end-users" of >100 qualified enterprises, involved in the printing & dyeing of cotton, polyester cotton, nylon, ribbons, and other fabrics, etc.
Location	Shantou Textile Circular Economy Industrial Park in Chaonan, Shantou, Guangdong Province



Project highlights	<ol style="list-style-type: none"> 1. Located in economically developed area and industrial park cluster with advantages: Guangdong is ranked No. 1 GDP province in China. Printing & dyeing of textiles and garments is a pillar industry, with a full and mature value chain in place. Shantou is the largest manufacturing base for women’s inner wear in China, accounting for ~45% of the national output ⁽¹⁾ 2. Exclusive centralised steam supplier within the coverage area with an operating concession of ~38.5 years 3. High IRR: double-digit investment returns 4. Circular Economy model: Uses treated wastewater to generate steam; blended combustion of industrial sludge to diversify feedstock mix. Project sells its production wastes as raw materials to downstream industries, which generates additional revenue 5. Proven to be Environmental-friendly: 4 generators to charge electricity at prices for generators with environmental protection devices 6. Rapid ramp-up with growth potential of generating long-term, recurring and high-quality income, 7. New revenue sources have been added, e.g. compressed air, waste products, sludge incineration services, etc. 8. Recognized as the leading model of the No.1 Lianjiang River Comprehensive Remediation Project 9. Located close to the port wharf, which makes for convenient unloading and drayage of feedstock
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(1) https://www.shantou.gov.cn/jxj/zwgk/gzdt/content/post_2031622.html

Xinyuan Plant

M&A Consideration	~RMB212.5 million
Capacity	Steam: $3 \times 75\text{t/h} + 1 \times 220\text{t/h}$ (=445 t/h) Electricity: $2 \times 6\text{MW} + 1 \times 25\text{MW}$ (=37 MW)
Product mix	Industrial steam, heating, and electricity
Mix of end-customers	Industrial end-customers concentrated in the energy, printing & dyeing, and clothing industries, etc. Supply heating to residential households
Location	Jimo District, Qingdao City, Shandong Province
Plant highlights	<ol style="list-style-type: none"> Located in economically developed areas: <ul style="list-style-type: none"> Qingdao's GDP was close to RMB1.58 trillion in 2023 That Jimo became one of the district of Qingdao City from a county-level city in 2017 has been boosting its rapid development and growth Major upgrade and reform were implemented to improve the operation efficiency post the M&A Further expanded heating supply coverage area by 2 million m² area in Jimo International Trade Park in 1Q2021. The city heating network system for the new concession area in Jimo International Trade Park was completed in 4Q2021 and Xinyuan project has started to supply heating. Large storage space for feedstock, which is convenient for low-season storage and control of fuel cost Professional and experienced team that ensures continued smooth operation



Suyuan Plant

M&A Consideration	~RMB293 million
Capacity	Steam: 1 × 90t/h + 2 × 75t/h (=240 t/h) Electricity: 1 × B7MW
Product mix	Industrial steam and electricity
Customer base	Concentrated in printing & dyeing industry in coral velvet, soft velvet, polar velvet, super soft velvet, etc.
Location	Changshu, Suzhou City, Jiangsu Province
Plant highlights	<ol style="list-style-type: none"> 1. Located in developed economy region with the advantage of industrial cluster: <ul style="list-style-type: none"> • Changshu ranked among top 4 county-level cities in China for economic vitality ⁽¹⁾ • Textile industry has been a mainstay of Changshu's economy for the last 40 years with annual turnover of >RMB100 billion • Located in a high-quality printing & dyeing development area, with printing & dyeing enterprises elsewhere expected to relocate in • Certain new enterprises have relocated into its coverage area 2. Exclusive centralized steam supplier within coverage area with resilient and attractive customer base provided by the established textile industry cluster 3. Continuous upgrade after M&A: major upgrades were implemented, operational performance and efficiency have been further improved 4. Circular economy model: Recycling customers' condensation water to generate steam; using general solid waste to supplement the main feedstock



(1) <https://www.ccidgroup.com/info/1096/34864.htm>

Tongshan Project

Nameplate Capacity	Phase 1: 1 × 130t/h (steam)+ 1 ×35MW (electricity)
Product mix	Industrial steam, heating, and electricity
Location	Tongshan District, Xuzhou City, Jiangsu Province
Project highlights	<ol style="list-style-type: none">1. Located in an economically developed area with potential for development and growth:<ul style="list-style-type: none">• Tongshan District ranked 28th among China’s Top 100 Districts for investment potential in 2018• The industrial park is a state-level development zone2. Exclusive supplier with ~30-year concession right3. Uses biomass such as bark, straw, and other agricultural product wastes as feedstock. Access to multiple sources of biomass to meet the project’s feedstock demand4. Tongshan helps the local government to address the people’s livelihood issues, alleviate cost of heating subsidies, reduce pollution and realise energy conservation. Project is aligned with China’s national development policies.5. Ready base of residential customers in concession area and exploring for more industrial customers6. In process of expanding industrial customer base



Shanxi Xinjiang Project

Nameplate Capacity	Phase 1: 1 ×130t/h (steam)+ 1 ×C15MW (electricity)
Product mix	Industrial steam and electricity
Customer mix	industries such as high-end equipment manufacturing, new materials, fine chemicals, urea, and dyes are concentrated in the industrial park
Location	Yuncheng City, Shanxi Province
Project highlights	<ol style="list-style-type: none"> 1. Located in Xinjiang Circular Economy Demonstration Park (the “Park”), one of three fine chemical industrial parks in Shanxi Province, was approved as a provincial level industrial park in 2019 2. Operating concession was signed for investment, construction, and operation of cogeneration plants within 25 km of steam supply area 3. Close proximity to fuel resources: surrounding cities and counties have abundant coal resources and developed in ore washing and other industries 4. In commercial operation since the end of 2023. Currently, Shanxi Xinjiang Project is in ramp-up phase and securing industrial users





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FY2024 Outlook

Barring unforeseen circumstances, the Group expects the business trends summarised below to benefit its business in FY2024. Please note that our financial results should be viewed on a 12-month basis to arrive at a balanced perspective.

➤ Continued ramp-up of the existing GI plants to solidify market position, namely:

- › Continued ramp-up of the existing GI project portfolio in commercial operation, mainly driven by organic growth and ramp-up of customers, continuous relocation of new factories into industrial parks, and long-term structural development of industrial parks.
- › Yongxing Plant's general solid waste JV plant is in operation.
- › Construction of Quanjiao Project's biomass boiler which was built to supply industrial steam was basically completed in 3Q 2024 and is expected to enter trial production in 4Q 2024.

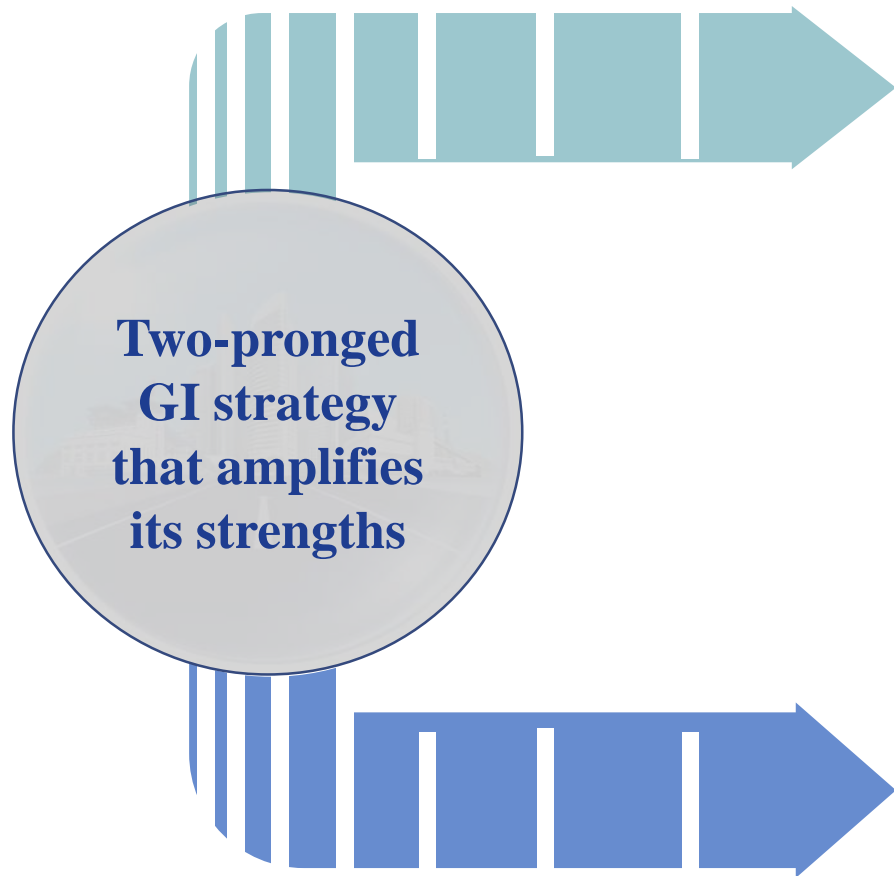
➤ Continued execution of holistic strategy to solidify the profitability of the GI business, namely:

- › Sustain execution of price adjustment mechanism and optimise feedstock procurement strategy.
- › Enhance operational efficiency via technological transformation and refined management of GI plants.
- › Tap into beneficial economies of scale in the GI business.
- › Explore new business opportunities in the medium to long term.

(1) Refer to the 9M2024 earnings release dated 14 November 2024 for more information.

Strategy to Grow Earnings with Quality Remains on Track

Pertaining to the GI business, for 2024, Sunpower intends to continue to execute the following two-pronged strategy with an emphasis on the quality of development that amplifies its strengths:



(1) Solidifying its market position as a centralised provider of clean steam and industrial services by:

- › Continuously ramping up its existing GI portfolio through further expansion of coverage areas and customer base but with less intense capital expenditure; and
- › Ramping up the capacity of certain projects.

(2) Continuously strive to target improvement in the Group's efficiency and profitability by enhancing the operation and production of each project where possible. In addition, evaluate the pipeline for quality projects with potential.

The Maturity Date of the Convertible Bonds (CBs) was Extended

- The shareholders approved the extension of the maturity date of the CBs (principal amount of USD130 million) by two years to April 2025, amongst other amendments at a Special General Meeting on 28 July 2023.
- The Group continues to proactively take various measures to raise the necessary funding by maturity. These options include but are not limited to:

Seeking new investors

Additional equity or
debt fundraising

Strategic review of the
Group's existing operations
and financials

Monetisation of certain
GI projects

- Should the Group be unable to do so, it risks being unable to repay the CBs. The Board of Directors is progressing on the assessment of the options which are currently available to date and the Company will make the necessary announcement at the appropriate time.

*Refer to the Circular in relation to the Proposed Amendments to the CB Purchase Agreement and CB Terms and Conditions released at 11 July 2023, for more information.

* To be read in conjunction with the disclosure on “Basis of Preparation” in the Condensed Interim Financial Statements for the Third Quarter and Nine Months Ended 30 September 2024 released at the same time.



Appendices

Financial Effects of the Convertible Bonds

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

Due to the 2023 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. Recognition of the new liability and the convertible feature will be classified as equity.

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

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

(RMB million)	9M 2024	9M 2023
Revenue	2,486.3	2,408.7
Gross Profit	658.0	604.9
EBITDA	633.6	675.1
Profit for the period (net of tax)	257.5	286.8

*Group results reflect the results of continuing operations, without the financial effects of CBs.

* This slide should be read in conjunction with the Announcement of Condensed Interim Financial Statements for the Third Quarter and Nine Months Ended 30 September 2024 released at the same time, in particular the “Basis of Preparation”.

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

(RMB million)	As of 30 September 2024	As of 31 December 2023
Cash and cash equivalents & pledged bank deposits	651.3	747.8
Trade Receivables	815.2	813.0
Inventories	157.5	138.0
Total Current Assets	1,991.2	1,984.7
Non-Current Assets	5,603.5	5,644.4
Short-term Borrowings	1,311.0	1,191.5
Current Liabilities	2,641.7	1,909.0
Convertible bonds liability	716.0	739.4
Long-term Borrowings	1,911.0	2,191.8
Equity attributable to equity holders of the Company	2,318.5	2,157.5
Total equity	2,825.2	2,569.7

* Group results reflect the results of continuing operations, without the financial effects of CBs.

* This slide should be read in conjunction with the Announcement of Condensed Interim Financial Statements for the Third Quarter and Nine Months Ended 30 September 2024 released at the same time, in particular the “Basis of Preparation”.

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

(RMB million)	9M 2024	9M 2023
Net cash from operating activities	234.3	140.8
Underlying operating cash flow	257.6 ⁽¹⁾	163.3 ⁽²⁾
Net cash used in investing activities	(133.6)	(266.9)
Net cash (used in)/from financing activities	(235.9)	96.8

(1) Underlying operating cash flow adjusting for CB interest of RMB23.4 million

(2) Underlying operating cash flow adjusting for CB interest of RMB22.6 million

* Group results reflect the results of continuing operations, without the financial effects of CBs.

* This slide should be read in conjunction with the Announcement of Condensed Interim Financial Statements for the Third Quarter and Nine Months Ended 30 September 2024 released at the same time, in particular the “Basis of Preparation”.

Definitions of GI recurring revenue, EBITDA and PATMI

The Company uses the terms “GI recurring revenue”, “GI recurring EBITDA”, “GI recurring PATMI”, and “GI recurring operating cashflow” to reflect the operating results of the GI business. This document should be read in conjunction with the “3Q 2024 and 9M 2024 Earnings Announcement” released at the same time.

GI recurring revenue refers to recurring revenue generated by the GI business, including commission fees recognised in accordance with SFRS(I) INT15. It excludes one-time contributions from services for BOT projects including EPC services that are performed by the Group’s internal project management department, recognised under IFRIC 12 Service Concession Arrangements (if any).

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

GI recurring PATMI refers to the recurring Profit After Tax and Minority Interests of the GI Business which reflects the profit of the GI business attributable to the Group within the current period. It excludes one-time revenue contributions from services for BOT projects, including EPC services, that are provided by the Group’s internal project management department, recognised under IFRIC 12 Service Concession Arrangements; and expenses incurred by the Company that are not related to the running of the GI Business, such as listing-related expenses and remuneration of employees at the group level, etc.



AGENDA

01 Sunpower At a Glance

02 Investment Highlights

03 Project Updates

04 Outlook

05 Q&A Session

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