



**SUNPOWER GROUP LTD.**

*Founded in 1997 & Listed since 2005*

**Investor Presentation**

*27 February 2025*



## **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  
~415 km

Number of Customer Industries  
> 20

Typically B2B arrangement with price adjustment mechanism

Top 500 China Energy Enterprise (Group) <sup>(1)</sup>

(1) Sunpower Group was listed in the 2024 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 Continued Growth in FY2024 excluding one-off provision for bad debt in 3Q2024:

In FY2024, total steam sales volume rose 9.5% YoY to 11.46 mil tons, GI recurring revenue<sup>(1)</sup> rose 1.7% YoY to RMB3,316.5 mil.

GI recurring PATMI<sup>(1)</sup> (including provision for bad debt in 3Q24) was RMB292.0 mil, while GI recurring PATMI (excluding provision for bad debt in 3Q24) grew 9.5% YoY to RMB372.1 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 FY2024 Earnings Release or slide 37 of this presentation for definition. This document should be read in conjunction with the “4Q2024 and FY2024 Earnings Announcement” released at the same time.



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# Investment Highlights

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- 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
- 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 20<sup>th</sup> National Congress of the Communist Party of China <sup>(1)</sup>

14<sup>th</sup> Five-Year Plan (2021-2025) <sup>(2)</sup>

... ..

- 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](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](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 CO<sub>2</sub> emissions > **600,000 tons** <sup>(1)</sup>



Expected to replace **more** high-polluting small boilers <sup>(1)</sup>



Annual reduction of dust, SO<sub>2</sub> and NO<sub>x</sub> > **65,000 tons** <sup>(1)</sup>



(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 14<sup>th</sup> 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

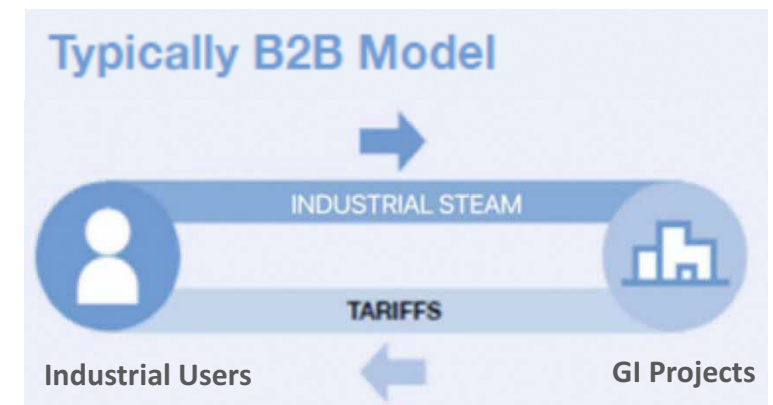
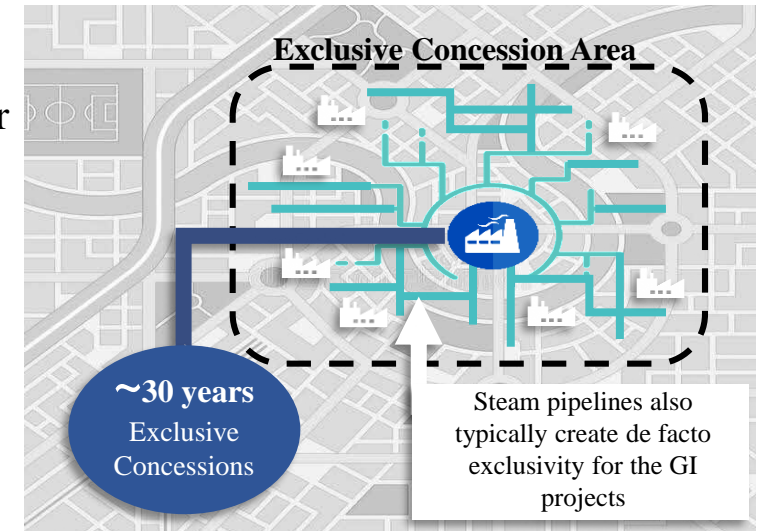
## Strong tariff collection for industrial steam

- 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

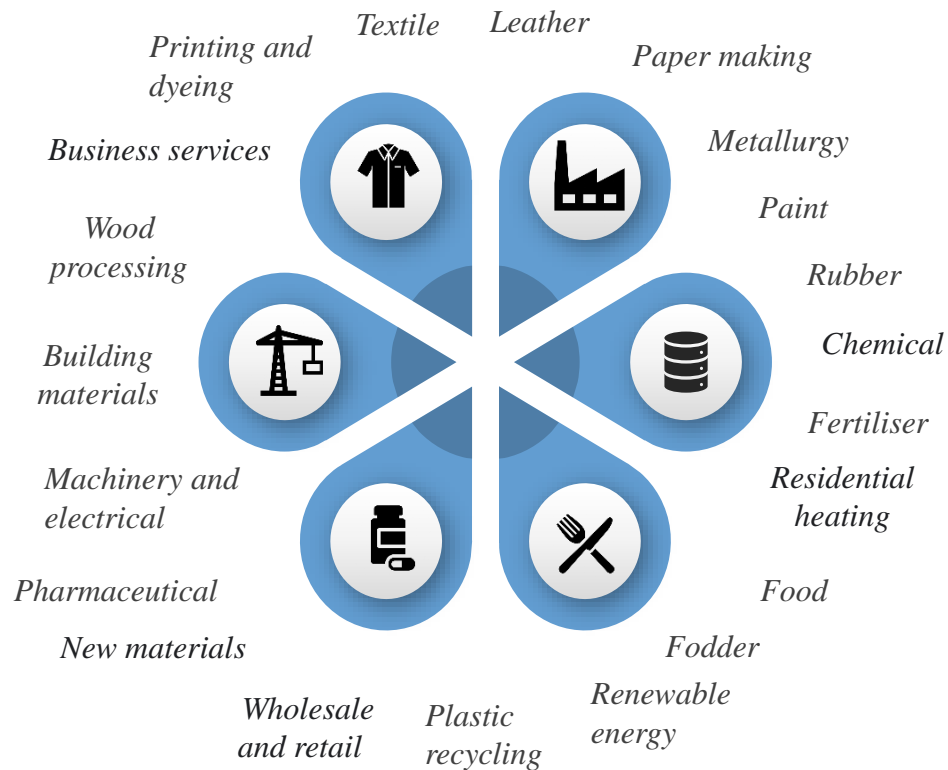
- Usually 2 ways to adjust: 1) primarily to adjust based on certain change of the fuel price with customers; 2) to adjust based on the government price guidance
- Support long-term profitability when viewed across cycles
- Maintain operational flexibility to achieve long-term growth



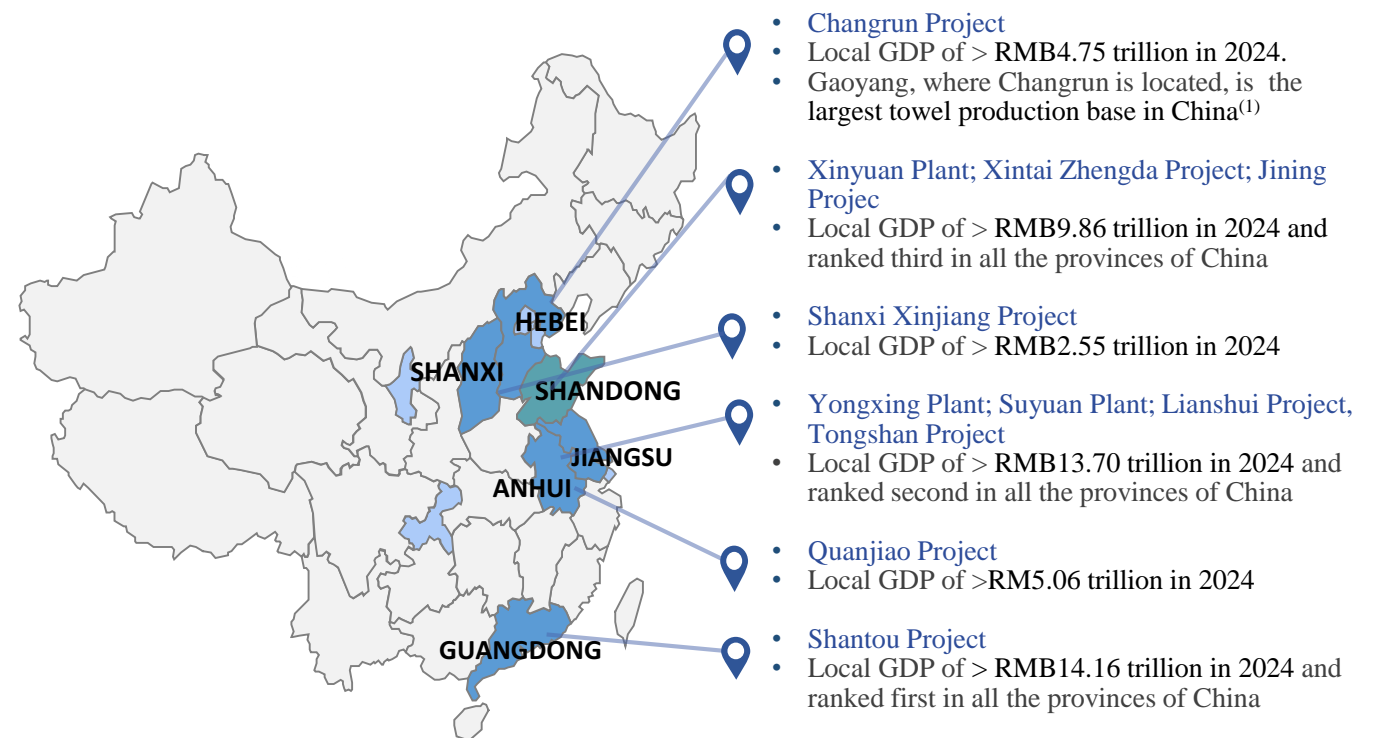
# GI Business Model Proven to Generate Long-term High-quality Recurring Income

## 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

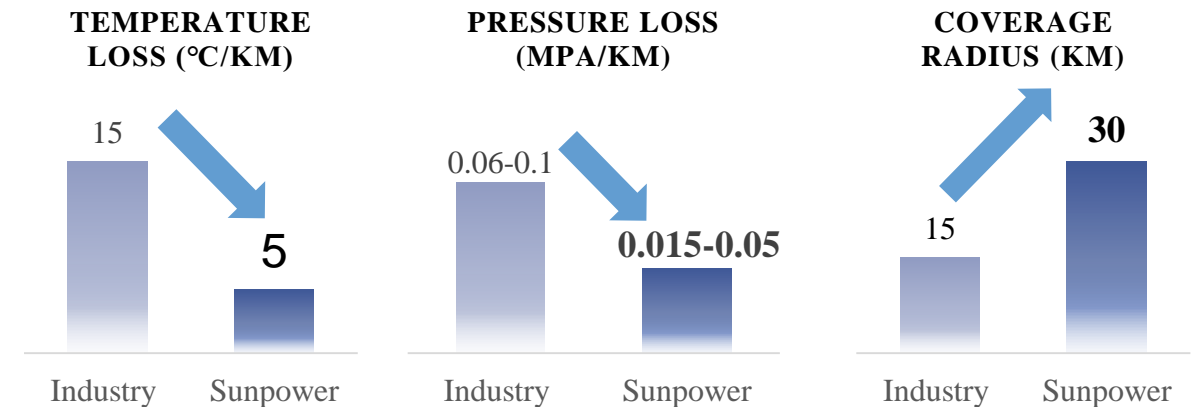
### ➤ Environmental Protection Technologies

- 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 <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

(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](http://www.mee.gov.cn/ywgz/fgbz/bz/bzwb/dqhjbh/dqgdwrywrwpfbz/201405/t20140530_276318.shtml)

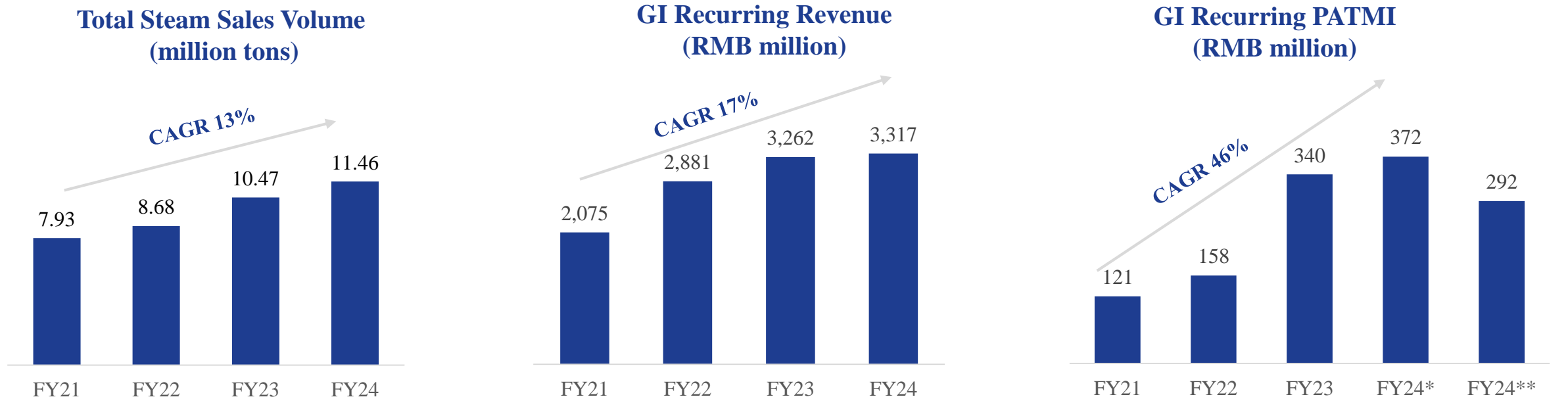
(2) 'Emission Standard of Air Pollutants for Thermal Power Plants' by the Ministry of Ecology and Environment of the PRC (GB 13223-2011)

[http://www.mee.gov.cn/ywgz/fgbz/bz/bzwb/dqhjbh/dqgdwrywrwpfbz/201109/t20110921\\_217534.shtml](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 **9.5% YoY** to reach record high of **11.46 million** tons in FY24.
- GI recurring PATMI<sup>(1)</sup> excluding a one-off provision for bad debt recorded in 3Q24 was RMB372.1 mill (+9.5% YoY).
- GI recurring PATMI including a one-off provision for bad debt recorded in 3Q24 was RMB292.0 mil (-14.1% YoY).



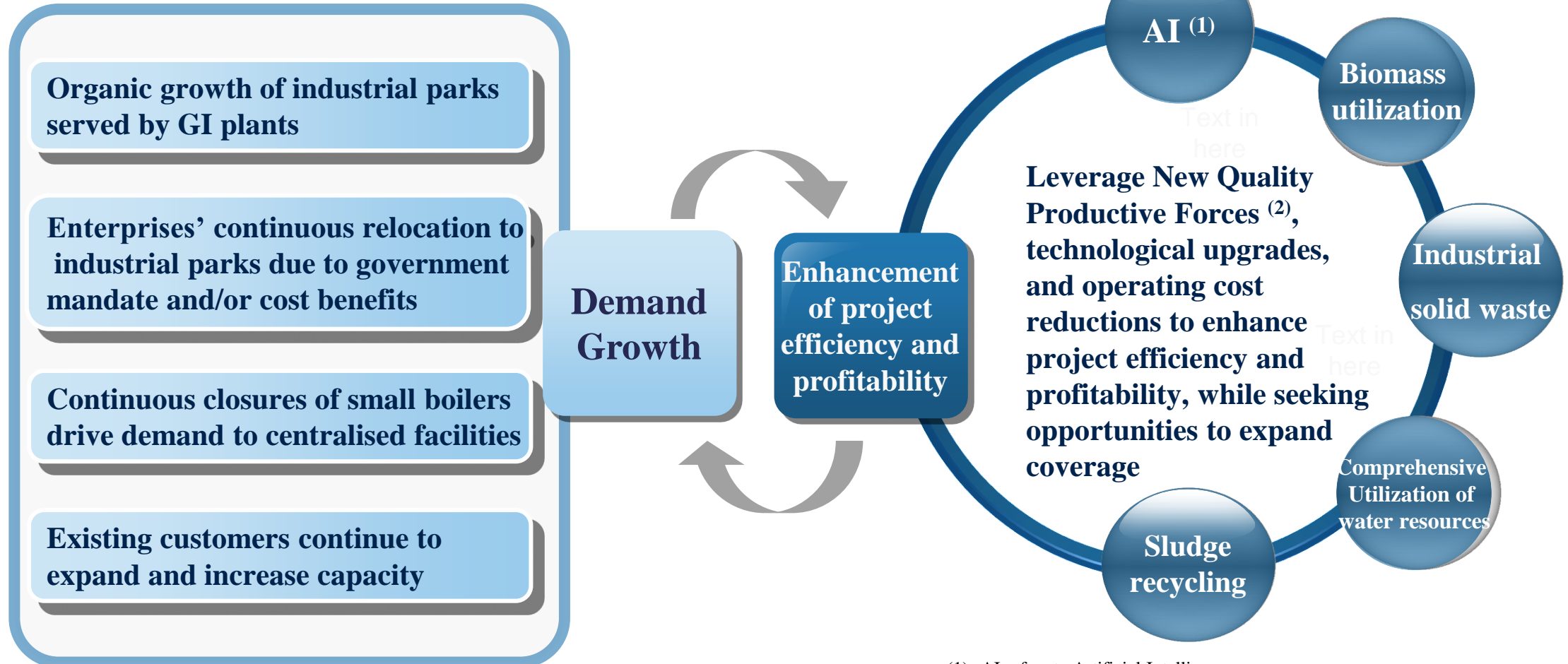
\* Refers to the GI recurring PATMI excluding provision for bad debt.  
 \*\* Refers to the GI recurring PATMI including provision for bad debt.

(1) Please refer to the FY2024 Earnings Release or slide 37 of this presentation for definition. This document should be read in conjunction with the “4Q2024 and FY2024 Earnings Announcement” released at the same time.

# 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



(1) AI refers to Artificial Intelligence.

(2) Leverage New Quality Productive Forces refers to 新质生产力.

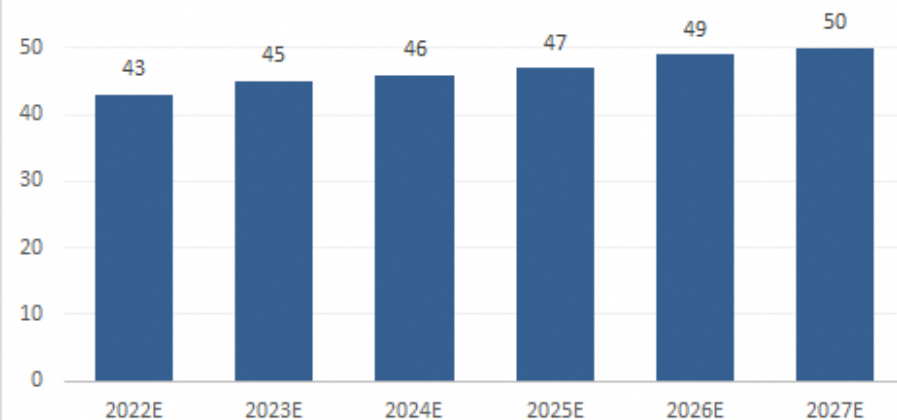
# Well Positioned for Long-term Growth Potential

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)

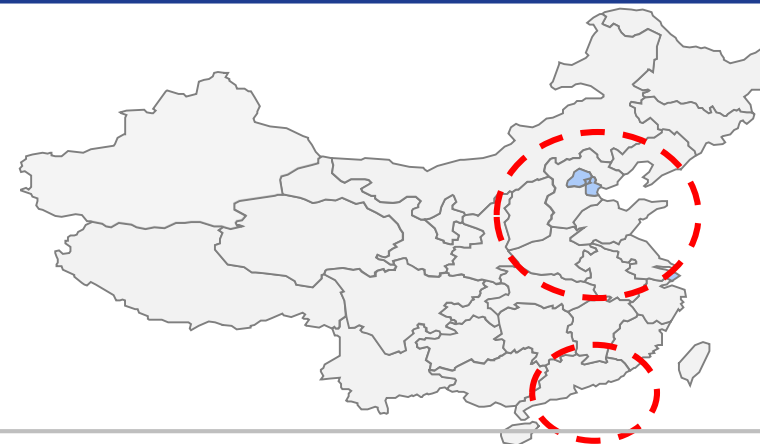


03

## Robust pipeline of high-quality projects

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

Pipeline under Evaluation



\* <https://www.qianzhan.com/analyst/detail/220/221020-e29fc765.html>

# Well Positioned to Capture Long-term Growth Potential

04

Sunpower has built mature and replicable business model with competitive edge across the GI business cycle which could drive immediate growth when the investments in selected projects are made.



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

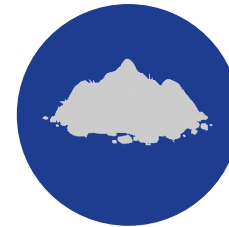
- Committed to sustainability by incorporating environmental, social and governance (ESG) values into every aspect.
- Undertakes the social responsibility to support the sustainable development of the economy and helps to build ultra-low emission circular economy industrial parks.



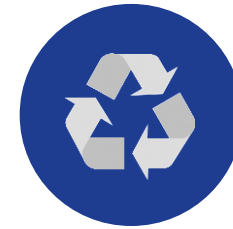
Ultra-low emissions that replace highly-polluted emissions



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

➤ Dedicated 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<sup>(1)</sup>



**Shi Shaolin**

Group Financial Director  
Deputy General Manager of JSCE<sup>(1)</sup>



**Sha Jianhua**

Deputy General Manager of JSCE<sup>(1)</sup>



**Xu Jun**

Deputy Chief Engineer of JSCE<sup>(1)</sup>

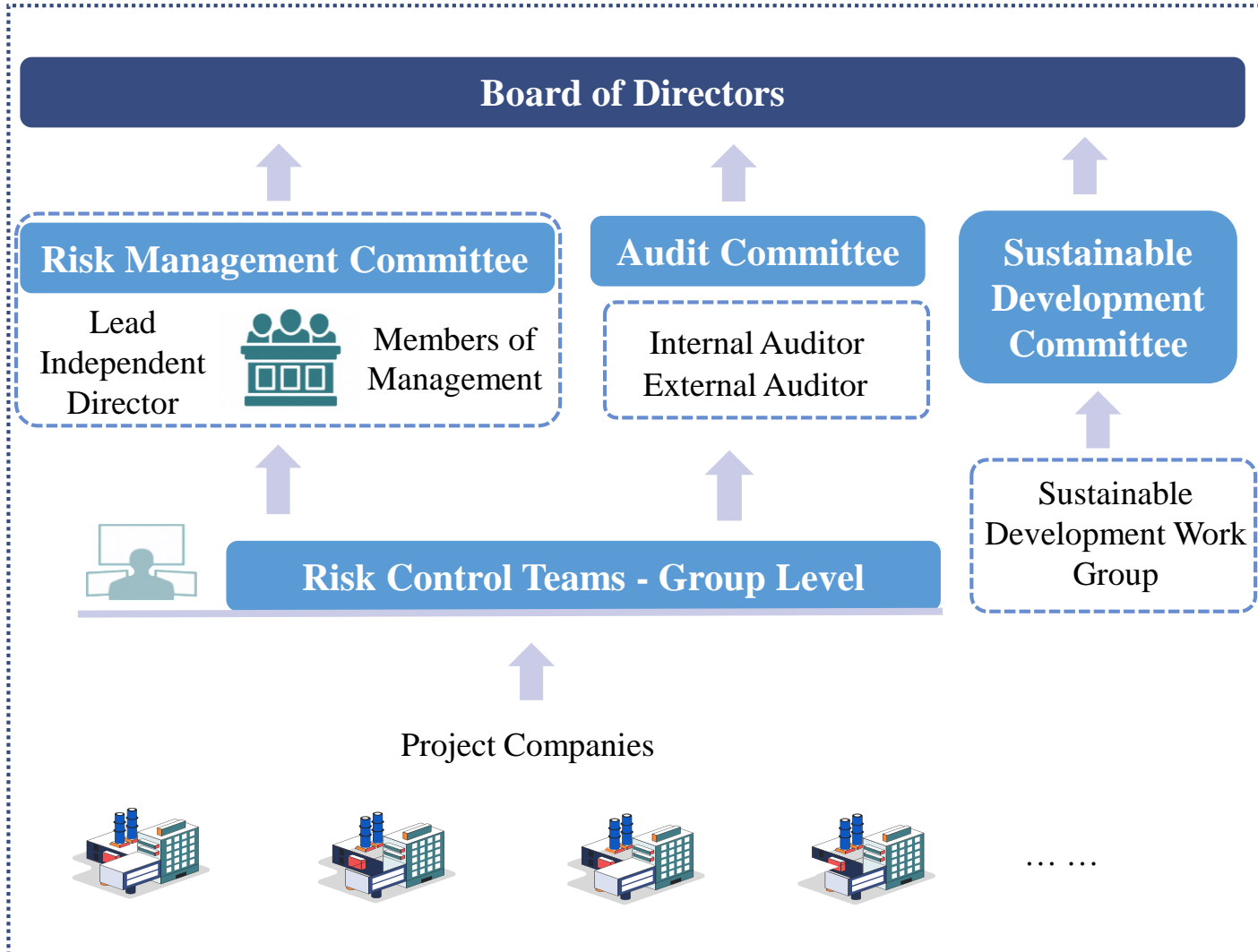


**Wang Ning**

Deputy General Manager of JSCE<sup>(1)</sup>

(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

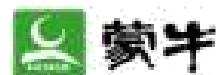
➤ Strong track record of investing and nurturing many leading companies in China

## 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

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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# Changrun Project

<b>Nameplate Capacity</b>	2×220t/h (steam) + 2×25MW (electricity)
<b>Product mix</b>	Industrial steam, electricity
<b>Customer mix</b>	~75 captive customers. Main products include towels, medicine, blankets, etc.
<b>Location</b>	Gaoyang County, Hebei Province
<b>Project highlights</b>	<p><b>1. Excellent industrial cluster:</b> 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><b>2. Exclusive centralised steam supplier:</b> ~30-year concession + first right to renew</p> <p><b>3. “Ultra-low emission” circular economy model:</b> 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><b>4. High IRR:</b> double-digit investment returns</p>



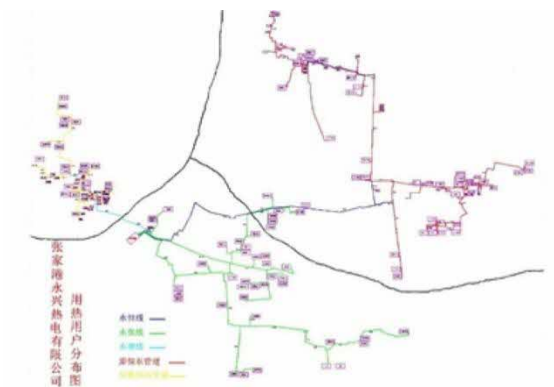
# Yongxing Plant

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

<b>Nameplate Capacity</b>	Phase 1: 3×150t/h (=450 t/h); Phase 2: 2 × 260t/h (=520 t/h)
<b>Product mix</b>	Industrial steam, compressed air, electricity
<b>Mix of end-customers</b>	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.
<b>Location</b>	Shantou Textile Circular Economy Industrial Park in Chaonan, Shantou, Guangdong Province



<b>Project highlights</b>	<ol style="list-style-type: none"> <li><b>1. Located in economically developed area and industrial park cluster with advantages:</b> Guangdong is ranked No. 1 GDP province in China. Printing &amp; 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 <sup>(1)</sup></li> <li><b>2. Exclusive centralised steam supplier</b> within the coverage area with an operating concession of ~38.5 years</li> <li><b>3. High IRR:</b> double-digit investment returns</li> <li><b>4. Circular Economy model:</b> 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</li> <li><b>5. Proven to be Environmental-friendly:</b> 4 generators to charge electricity at prices for generators with environmental protection devices</li> <li><b>6. Rapid ramp-up</b> with growth potential of generating long-term, recurring and high-quality income,</li> <li><b>7. New revenue sources</b> have been added, e.g. compressed air, waste products, sludge incineration services, etc.</li> <li><b>8. Recognized as the leading model</b> of the No.1 Lianjiang River Comprehensive Remediation Project</li> <li><b>9. Located close to the port wharf,</b> which makes for convenient unloading and drayage of feedstock</li> </ol>
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(1) [https://www.shantou.gov.cn/jxj/zwgk/gzdt/content/post\\_2031622.html](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
Latest Updates	Plans are in progress to improve product mix, such as additional supply of add hot water to certain customers in 2025
Plant highlights	<p><b>1. Located in economically developed areas:</b></p> <ul style="list-style-type: none"> <li>Qingdao's GDP was close to RMB1.58 trillion in 2023</li> <li>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</li> </ul> <p><b>2. Major upgrade and reform were implemented</b> to improve the operation efficiency post the M&amp;A</p> <p><b>3. Further expanded heating supply coverage area</b> by 2 million m<sup>2</sup> 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.</p> <p><b>4. Large storage space for feedstock</b>, which is convenient for low-season storage and control of fuel cost</p> <p><b>5. Professional and experienced team</b> that ensures continued smooth operation</p>



# 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	<b>Changshu, Suzhou City, Jiangsu Province</b>
Plant highlights	<ol style="list-style-type: none"> <li><b>Located in developed economy region with the advantage of industrial cluster:</b> <ul style="list-style-type: none"> <li>Changshu ranked among top 4 county-level cities in China for economic vitality <sup>(1)</sup></li> <li>Textile industry has been a mainstay of Changshu's economy for the last 40 years with annual turnover of &gt;RMB100 billion</li> <li>Located in a high-quality printing &amp; dyeing development area, with printing &amp; dyeing enterprises elsewhere expected to relocate in</li> <li>Certain new enterprises have relocated into its coverage area</li> </ul> </li> <li><b>Exclusive centralized steam supplier</b> within coverage area with resilient and attractive customer base provided by the established textile industry cluster</li> <li><b>Continuous upgrade after M&amp;A:</b> major upgrades were implemented, operational performance and efficiency have been further improved</li> <li><b>Circular economy model:</b> Recycling customers' condensation water to generate steam; using general solid waste to supplement the main feedstock</li> </ol>



(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
Latest Updates	New industrial customers are expected to be connected in 2025



Project highlights	<p><b>1. Located in an economically developed area with potential for development and growth:</b></p> <ul style="list-style-type: none"><li>• Tongshan District ranked 28<sup>th</sup> among China’s Top 100 Districts for investment potential in 2018</li><li>• The industrial park is a state-level development zone</li></ul> <p><b>2. Exclusive supplier with ~30-year concession right</b></p> <p><b>3. Uses biomass</b> such as bark, straw, and other agricultural product wastes as feedstock. Access to multiple sources of biomass to meet the project’s feedstock demand</p> <p>4. 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.</p> <p><b>5. Ready base of residential customers</b> in concession area and exploring for more industrial customers</p> <p><b>6. In process of expanding industrial customer base</b></p>
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# Shanxi Xinjiang Project

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





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# FY2025 Outlook

**Barring unforeseen circumstances, the Group expects the business trends summarised below to benefit its business in FY2025. 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, namely:**

- › For the existing 11 GI projects in commercial operation, mainly driven by the closure of small dirty boilers, the ramp-up or expansion of the existing customers, continuous relocation of new factories into industrial parks, and long-term structural development of industrial parks.
- › 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.

**➤ The new plant of Xintai Zhengda Project has been included in the Renewable Energy Power Generation Subsidy List and will receive feed-in tariff subsidies for the electricity generated by its biomass boiler in due course.**

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

- › To leverage artificial intelligence (AI) to enhance efficiency and reduce operational costs.
- › Sustain execution of price adjustment mechanism.
- › Further reduce costs through refined management, particularly lowering financial cost, and feedstock costs through optimization of procurement strategies and adjustment of feedstock mix).
- › Implement technological transformation and refined plant management in each project.
- › Tap into beneficial economies of scale in the GI business.
- › Explore new business opportunities in medium to long term.

# Updates on the Redemption of Existing CBs

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- **Pertaining to the existing Convertible Bonds with principal amount of approximately US\$130 million (the “Existing CBs”) which mature in April 2025, the Company remains focused on the redemption work.**
- **In December 2024, the Company announced the undertaking of a Rights Issue to raise up to S\$99.6 million in aggregate principal amount of CBs convertible into up to 398.4 million new ordinary shares, with coupon interest rate of 7.0% per annum due in 2030 (the “CB Rights Issue”), and to undertake partial repayment of the existing CB through the current resources of the Group, namely bank borrowings.**
- **As of February 2025, total payments of approximately US\$67.75 million have been made to the existing bondholders, reducing the remaining outstanding principal amount of the existing CBs to US\$71.9 million.**
- **On 26 February 2025, the CB Rights Issue resolutions were approved by shareholders.**

*For complete information, please refer to the announcements made by the Company from 9 December 2024 to 26 February 2025.*



# Appendices



# Financial Effects of the Convertible Bonds

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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)	FY 2024	FY 2023
Revenue	3,505.2	3,403.1
Gross Profit	892.8	831.6
EBITDA	911.7	878.9
Profit for the period (net of tax)	374.0	372.7

\*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 Full Year Ended 31 December 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 31 December 2024	As of 31 December 2023
<b>Cash and cash equivalents &amp; pledged bank deposits</b>	1,406.8	747.8
<b>Trade Receivables</b>	879.0	813.0
<b>Inventories</b>	167.0	138.0
<b>Total Current Assets</b>	2,713.8	1,984.7
<b>Non-Current Assets</b>	5,593.5	5,644.4
<b>Short-term Borrowings</b>	1,653.8	1,191.5
<b>Current Liabilities</b>	3,150.8	1,909.0
<b>Convertible bonds liability</b>	716.0	739.4
<b>Long-term Borrowings</b>	2,009.0	2,191.8
<b>Equity attributable to equity holders of the Company</b>	2,400.9	2,157.5
<b>Total equity</b>	2,930.1	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 Full Year Ended 31 December 2024 released at the same time, in particular the “Basis of Preparation”.

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

(RMB million)	FY 2024	FY 2023
Net cash from operating activities	622.3	463.2
Underlying operating cash flow	645.6 <sup>(1)</sup>	485.8 <sup>(2)</sup>
Net cash used in investing activities	(187.8)	(423.7)
Net cash (used in)/from financing activities	96.3	38.3

(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 Full Year Ended 31 December 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 6M and 12M 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.



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