

SUNPOWER GROUP LTD

Condensed Financial Statements for the Six Months and Full Year ended 31 December 2025

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONDENSED CONSOLIDATED FINANCIAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2025

(RMB'000)	Note	Six months ended			Full year ended		
		31 December 2025	31 December 2024	% change	31 December 2025	31 December 2024	% change
Revenue	4	1,734,732	1,768,219	(1.9%)	3,336,654	3,505,184	(4.8%)
Cost of sales		(1,222,929)	(1,344,532)	(9.0%)	(2,355,365)	(2,612,406)	(9.8%)
Gross profit		511,803	423,687	20.8%	981,289	892,778	9.9%
Other operating income	5	20,897	40,765	(48.7%)	33,071	61,941	(46.6%)
Selling and distribution expenses		(46,021)	(40,959)	12.4%	(86,121)	(79,485)	8.3%
Administrative expenses		(72,032)	(62,476)	15.3%	(122,575)	(107,678)	13.8%
Foreign exchange gain (loss)		16,557	(24,017)	(168.9%)	76	(29,909)	(100.3%)
Other operating expenses		(6,763)	(122,328)	(94.5%)	(19,940)	(134,626)	(85.2%)
Finance costs		(85,103)	(133,351)	(36.2%)	(192,155)	(269,928)	(28.8%)
Share of profit of associate		6,887	2,755	150.0%	10,543	6,522	61.7%
Profit before income tax	6	346,225	84,076	311.8%	604,188	339,615	77.9%
Income tax expense	7	(116,073)	(37,310)	211.1%	(174,949)	(95,203)	83.8%
Profit for the period / year		230,152	46,766	392.1%	429,239	244,412	75.6%
Other comprehensive income							
<u>Items that will not be reclassified subsequently to profit or loss</u>							
Net fair value gain on							
investments in equity instruments classified as at FVTOCI		-	326	(100.0%)	-	326	(100.0%)
<u>Items that may be reclassified subsequently to profit or loss</u>							
Net fair value gain (loss) on							
investments in debt instruments classified as at FVTOCI		122	(203)	(160.1%)	122	(203)	(160.1%)
Total comprehensive income for the period / year		230,274	46,889	391.1%	429,361	244,535	75.6%
<u>Profit for the period / year attributable to:</u>							
Equity holders of the Company		174,876	(2,459)	(7,211.7%)	312,886	119,437	162.0%
Non-controlling interests		55,276	49,225	12.3%	116,353	124,975	(6.9%)
Profit for the period / year		230,152	46,766	392.1%	429,239	244,412	75.6%
<u>Total comprehensive income for the period / year attributable to:</u>							
Equity holders of the Company		174,992	(2,319)	(7,646.0%)	313,002	119,577	161.8%
Non-controlling interests		55,282	49,208	12.3%	116,359	124,958	(6.9%)
Total comprehensive income for the period / year		230,274	46,889	391.1%	429,361	244,535	75.6%

Supplement information:

Financial effects of Convertible Bonds (“CBs”) consist of unrealised foreign exchange translation and amortised interest costs of Convertible Bonds. The table below shows the financial effects of the CBs and the profit for the period and year without the financial effects of the CBs.

(RMB'000)	Note	Six months ended			Full year ended		
		31 December 2025	31 December 2024	% change	31 December 2025	31 December 2024	% change
Finance costs		19,857	50,444	(60.6%)	46,687	98,208	(52.5%)
Foreign exchange (gain) loss		(16,919)	25,645	(166.0%)	1,343	31,347	(95.7%)
Financial effects of CBs		2,938	76,089	(96.1%)	48,030	129,555	(62.9%)
<u>Profit for the period / year (without the financial effect of CBs) attributable to:</u>							
Equity holders of the Company		177,814	73,630	141.5%	360,916	248,992	45.0%
Non-controlling interests		55,276	49,225	12.3%	116,353	124,975	(6.9%)
Profit for the period / year		233,090	122,855	89.7%	477,269	373,967	27.6%

1(a)(ii) Other information:

Please refer to the Notes to Condensed Financial Statements.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement at the end of the immediately preceding financial year.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(RMB'000)	Note	Group		Company	
		As at	As at	As at	As at
		31	31	31	31
		December	December	December	December
		2025	2024	2025	2024
ASSETS					
Current assets:					
Cash and cash equivalents		845,481	1,193,847	2,113	398,726
Pledged bank deposits		305,606	212,961	-	-
Trade receivables	9	932,385	878,985	-	-
Other receivables, deposits and prepayments		147,430	191,826	58,722	173,656
Assets held for sale		2,577	-	-	-
Inventories	10	138,206	167,011	-	-
Financial assets at fair value through other comprehensive income	11	51,515	69,187	-	-
Total current assets		2,423,200	2,713,817	60,835	572,382
Non-current assets:					
Property, plant and equipment		476,759	498,195	-	-
Other receivables, deposits and prepayments		34,678	83,648	-	-
Financial assets at fair value through other comprehensive income	11	-	2,577	-	-
Right-of-use assets		219,292	223,275	-	-
Subsidiaries		-	-	914,379	914,379
Associates		101,341	65,471	-	-
Intangible assets		4,174,555	4,228,770	-	-
Deferred tax assets		79,845	75,948	-	-
Goodwill	12	415,582	415,582	-	-
Total non-current assets		5,502,052	5,593,466	914,379	914,379
Total assets		7,925,252	8,307,283	975,214	1,486,761
LIABILITIES AND EQUITY					
Current liabilities:					
Trade payables, other payables and contract liabilities		771,583	774,274	341,525	587,290
Borrowings	13	1,739,448	1,653,812	-	-
Lease liabilities		1,093	1,293	-	-
Convertible bonds	14	-	1,080,311	-	1,080,311
Income tax payable		50,987	27,697	-	-
Total current liabilities		2,563,111	3,537,387	341,525	1,667,601
Non-current liabilities:					
Deferred tax liabilities		214,720	216,996	-	-
Borrowings	13	1,670,134	2,008,960	-	-
Convertible bonds	14	531,681	-	531,681	-
Lease liabilities		2,418	444	-	-
Total non-current liabilities		2,418,953	2,226,400	531,681	-
Capital and reserves:					
Share capital		57,880	57,662	57,880	57,662
Share premium		317,642	313,653	317,642	313,653
General reserves		461,880	366,056	-	-
Share option reserve		-	319	-	319
Conversion option reserve		806	-	806	-
Revaluation reserve		(1,578)	(1,694)	-	-
Retained earnings (Accumulated losses)		1,504,550	1,278,303	(274,320)	(552,474)
Equity (Deficit) attributable to equity holders of the Company		2,341,180	2,014,299	102,008	(180,840)
Non-controlling interests		602,008	529,197	-	-
Total equity (deficit)		2,943,188	2,543,496	102,008	(180,840)
Total liabilities and equity		7,925,252	8,307,283	975,214	1,486,761

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FULL YEAR ENDED 31 DECEMBER 2025

(RMB'000)	Full year ended	
	31 December 2025	31 December 2024
Operating Activities		
Profit before income tax	604,188	339,615
Adjustments for:		
Depreciation of property, plant and equipment	44,751	51,334
Depreciation of right-of-use asset	6,896	6,954
Amortisation of intangible assets	215,283	212,541
Amortisation of contract cost	237	237
Interest expense	192,155	269,928
Impairment of property, plant and equipment	-	633
Gain on disposal of right-of-use assets	(30)	-
Exchange differences arising on foreign currency translation	(1,419)	(1,438)
Share of profit of associate	(10,543)	(6,522)
Net loss on disposal of property, plant and equipment	1,353	1,310
Interest income	(7,242)	(6,006)
Impairment loss on trade and other receivables subject to ECL(expected credit loss), net	17,375	128,349
Reversal of other payable	-	(19,739)
Exchange loss on convertible bonds	1,343	31,347
Operating cash flows before movements in working capital	1,064,347	1,008,543
Trade receivables	(61,051)	(188,565)
Other receivables, deposits and prepayments	30,877	66,273
Financial assets at fair value through other comprehensive income	17,834	(37,637)
Inventories	28,805	(28,983)
Trade payables, other payables and contract liabilities	(3,696)	80,895
Cash generated from operations	1,077,116	900,526
Income tax paid	(155,784)	(126,378)
Interest received	7,242	6,006
Interest paid	(136,919)	(157,872)
Net cash from operating activities	791,655	622,282
Investing activities		
Purchase of property, plant and equipment	(32,329)	(19,213)
Prepayment for build-operate-transfer ("BOT") projects	(7,705)	(14,770)
Acquisition of intangible assets	(96,429)	(142,143)
Investment in associate companies	(30,227)	-
Acquisition of non-controlling interest	(11,576)	(11,708)
Proceeds from disposal of property, plant and equipment	85	38
Dividends received from associate	4,900	-
Net cash used in investing activities	(173,281)	(187,796)
Financing activities		
Proceeds from new borrowings	1,744,105	1,726,655
Pledged bank deposits	(92,645)	(128,285)
Proceeds from the rights issue	539,963	-
Repayment of borrowings	(1,997,295)	(1,447,209)
Payment of lease liabilities	(1,181)	(1,357)
Repayment of convertible bonds	(1,108,462)	-
Payment of other financing activity expenses	(7,470)	(15,331)
Payment of dividends to non-controlling interest of a subsidiary	(6,900)	(2,000)
Interest paid	(36,855)	(36,202)
Net cash (used in) from financing activities	(966,740)	96,271
Net (decrease) increase in cash and cash equivalents	(348,366)	530,757
Cash and bank equivalents at beginning of year	1,193,847	663,090
Cash and bank equivalents at end of year	845,481	1,193,847

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FULL YEAR ENDED 31 DECEMBER 2025

	Share capital	Share premium	General reserves	Share option reserve	Conversion option reserve	Revaluation reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group										
Balance as at January 1, 2024	57,662	313,653	288,101	319	-	(1,834)	1,242,539	1,900,440	412,229	2,312,669
<u>Total comprehensive income for the year</u>										
Profit for the year	-	-	-	-	-	-	119,437	119,437	124,975	244,412
Other comprehensive income for the year	-	-	-	-	-	140	-	140	(17)	123
Total	-	-	-	-	-	140	119,437	119,577	124,958	244,535
<u>Transactions with owners, recognised directly in equity</u>										
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	(2,000)	(2,000)
Transfer to general reserves	-	-	83,673	-	-	-	(83,673)	-	-	-
Acquisition of non-controlling interests	-	-	(5,718)	-	-	-	-	(5,718)	(5,990)	(11,708)
Total	-	-	77,955	-	-	-	(83,673)	(5,718)	(7,990)	(13,708)
Balance as at December 31, 2024	57,662	313,653	366,056	319	-	(1,694)	1,278,303	2,014,299	529,197	2,543,496

	Share capital	Share premium	General reserves	Share option reserve	Conversion option reserve	Revaluation reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group										
Balance as at December 31, 2024	57,662	313,653	366,056	319	-	(1,694)	1,278,303	2,014,299	529,197	2,543,496
<u>Total comprehensive income for the year</u>										
Profit for the year	-	-	-	-	-	-	312,886	312,886	116,353	429,239
Other comprehensive income for the year	-	-	-	-	-	116	-	116	6	122
Total	-	-	-	-	-	116	312,886	313,002	116,359	429,361
<u>Transactions with owners, recognised directly in equity</u>										
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	(6,900)	(6,900)
Transfer to general reserves	-	-	86,639	-	-	-	(86,639)	-	-	-
Acquisition of non-controlling interests	-	-	9,185	-	-	-	-	9,185	(36,648)	(27,463)
Equity component of convertible bonds	-	-	-	-	806	-	-	806	-	806
Convertible bonds converted into shares	218	3,989	-	-	-	-	-	4,207	-	4,207
Expire of employee share option	-	-	-	(319)	-	-	-	(319)	-	(319)
Total	218	3,989	95,824	(319)	806	-	(86,639)	13,879	(43,548)	(29,669)
Balance as at December 31, 2025	57,880	317,642	461,880	-	806	(1,578)	1,504,550	2,341,180	602,008	2,943,188

	Share capital	Share premium	Share option reserve	Conversion option reserve	Retained earnings	Equity / (Deficit) attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Company							
Balance as at January 1, 2024	57,662	313,653	319	-	(491,912)	(120,278)	(120,278)
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(60,562)	(60,562)	(60,562)
Balance as at December 31, 2024	57,662	313,653	319	-	(552,474)	(180,840)	(180,840)
Profit for the year, representing total comprehensive profit for the year	-	-	-	-	278,154	278,154	278,154
<u>Transactions with owners, recognised directly in equity</u>							
Equity component of convertible bonds	-	-	-	806	-	806	806
Convertible bonds converted into shares	218	3,989	-	-	-	4,207	4,207
Expire of employee share option	-	-	(319)	-	-	(319)	(319)
Total	218	3,989	(319)	806	-	4,694	4,694
Balance as at December 31, 2025	57,880	317,642	-	806	(274,320)	102,008	102,008

Notes to Condensed Financial Statements

1. Corporate Information

The Company is incorporated in Bermuda, under the Companies Act 1981 of Bermuda, with its registered office at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and principal place of business at No. 2111 Chengxin Road, Nanjing Jiangning Science Park, Nanjing, China 211112. The Company is listed on the mainboard of Singapore Exchange Securities Trading Limited. The condensed financial statements are presented in Chinese Renminbi ("RMB"), which is the functional currency of the Company, and all figures are expressed in thousands unless stated otherwise.

The Company is an environmental protection specialist involved in the investment, development and operation of Green Investments ("GI") projects in the anti-smog sector. As the Group's value creator and growth driver, GI business invests in and operates centralised facilities that supply industrial steam, electricity and heating.

2. Basis of Preparation

The condensed financial statements for the six months and full year ended 31 December 2025 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements for the year ended 31 December 2024.

At the end of the reporting period, the Group's current liabilities exceeded its current assets by RMB 139,911,000. The Group has adopted short-term bank borrowings as part of its cash management strategy, due to the flexibility of such banking facilities. Barring any unforeseen circumstances and after taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements for at least the next 12 months. Therefore the Board of Directors believes the Group has sufficient operating cash inflow to meet its current liabilities as they come due.

The Group has consistently applied the same accounting policies and methods of computation for the current reporting period compared with the audited financial statements for the year ended 31 December 2024.

2.1. Adoption of New and Revised Financial Standards

Effective for annual periods beginning on or after 1 January 2026

- Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between Investor and its Associate or Joint Venture*
- Amendments to SFRS(I) 18: *Presentation and Disclosure in Financial Statements*
- Amendments to SFRS(I) 19: *Subsidiaries without Public Accountability: Disclosures*

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

2.2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for the year ended 31 December 2024.

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

Critical judgements in applying the Group's accounting policies

There are no critical judgements in applying the Group's accounting policies, apart from those involving estimations.

2. Basis of Preparation (Continued)

2.2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Key sources of estimation uncertainty

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

(a) Service concession arrangements

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

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

Management has evaluated all aspects of the above estimates and considered that the estimates of intangible assets and recognition of revenue and cost from the construction phase to be best estimates; and that the intangible assets will be recoverable. The revenue from service concession arrangements is disclosed in Note 4 to the financial statements.

(b) Calculation of loss allowance

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

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

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

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

(c) Recoverable amounts of inventories

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

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

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

2. Basis of Preparation (Continued)

2.2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Key sources of estimation uncertainty (Continued)

(d) Fair value measurement of convertible bonds

Due to the amendment agreement as disclosed in Note 14 to the financial statements, the bond has been assessed to be substantially modified and hence it will be accounted for as an extinguishment of the original liability and recognition of the new liability and the convertible feature will be classified as equity. The initial carrying amount of the convertible bonds is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.

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

Convertible Bonds (the "Rights Issue of CB") were issued on 3 April 2025. In accordance with SFRS(I), the Rights Issue of CB is classified as a compound financial instrument and was split into its liability and equity components upon initial recognition. On the issuance date, management has assessed that the fair value of the Rights Issue of CB to approximate the consideration received from the issuance and engaged a third-party valuer to value the fair value of the debt host liability component. Management works closely with the valuer to determine the appropriate valuation techniques and inputs for the valuation. The fair value of the debt host liability component is deducted from the fair value of the Rights Issue of CB as a whole, with the resulting residual amount being recognised as the equity component. The liability component is measured at amortised cost using the effective interest method, with the amortised interest charges recognised in the statement of profit or loss. The equity component, representing the conversion feature, is recognised in equity at initial recognition and is not subsequently remeasured.

(e) Impairment of goodwill

As disclosed in Note 12, the recoverable amounts of the cash-generating units which goodwill has been allocated to are determined based on value in use calculations. The value in use calculations are based on a discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use are disclosed in Note 12 to the financial statements.

3. Seasonality of Operations

Demand for industrial steam is not impacted significantly by cyclical factors while central heating is affected by seasonal differences in the weather. In general, peak sales of central heating occur in the winter months. Please note that the Group's financial results should be viewed on a 12-month basis to arrive at a balances perspective.

4. Disaggregation of Revenue

A disaggregation of the Group's revenue is presented below as follows:

(RMB'000)	Six months ended		Full year ended	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Type of goods and services:				
Provision of utilities	1,635,714	1,629,255	3,175,741	3,251,235
Sales of goods	34,911	32,137	66,582	65,269
Revenue from service concession arrangements	64,107	106,827	94,331	188,680
Total revenue	1,734,732	1,768,219	3,336,654	3,505,184
Timing of revenue recognition:				
<u>At a point of time:</u>				
Provision of utilities	1,635,714	1,629,255	3,175,741	3,251,235
Sales of goods	34,911	32,137	66,582	65,269
<u>Over time:</u>				
Revenue from service concession arrangements	64,107	106,827	94,331	188,680
Total revenue	1,734,732	1,768,219	3,336,654	3,505,184
Geographical information:				
PRC	1,734,732	1,768,219	3,336,654	3,505,184
Total revenue	1,734,732	1,768,219	3,336,654	3,505,184

5. Other Operating Income

(RMB'000)	Six months ended			Full year ended		
	31 December 2025	31 December 2024	% change	31 December 2025	31 December 2024	% change
Government grants	2,003	4,043	(50.5%)	4,243	7,946	(46.6%)
Interest income	4,318	3,427	26.0%	7,242	6,006	20.6%
Gain on disposal of plant and equipment	45	87	(48.3%)	45	87	(48.3%)
Government rebates	701	2	N.m.	866	155	458.7%
Reversal of other payable	-	19,739	(100.0%)	-	19,739	(100.0%)
Gain on carbon emission quota	13,844	13,403	3.3%	20,448	27,382	(25.3%)
Others	(14)	64	(121.9%)	227	626	(63.7%)
Total	20,897	40,765	(48.7%)	33,071	61,941	(46.6%)

*N.m. denotes Not meaningful

6. Profit Before Income Tax

(RMB'000)	Six months ended			Full year ended		
	31 December 2025	31 December 2024	% change	31 December 2025	31 December 2024	% change
Depreciation of property, plant and equipment	22,466	20,979	7.1%	44,751	51,334	(12.8%)
Depreciation of right of use asset	3,772	1,231	206.4%	6,896	6,954	(0.8%)
Amortisation of intangible assets	107,830	116,487	(7.4%)	215,283	212,541	1.3%
Amortisation of contract cost	118	237	(50.2%)	237	237	-
Impairment allowance on FA	-	-	-	-	633	(100.0%)
Impairment loss on trade and other receivables subject to ECL	4,419	118,770	(96.3%)	17,375	128,349	(86.5%)
Net loss on disposal of property, plant and equipment and intangible assets	1,347	1,128	19.4%	1,353	1,310	3.3%
Foreign exchange (gain) loss - net	(16,557)	24,017	(168.9%)	(76)	29,909	(100.3%)
Finance costs	85,103	133,351	(36.2%)	192,155	269,928	(28.8%)
Reversal of other payable	-	(19,739)	(100.0%)	-	(19,739)	(100.0%)

7. Income Tax Expense

Income tax recognised in profit or loss:

(RMB'000)	Six months ended		Full year ended	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
<i>Tax expense comprises:</i>				
Current tax expense	120,639	73,258	181,162	137,646
Deferred tax	(4,566)	(35,948)	(6,213)	(42,443)
Total tax expense	116,073	37,310	174,949	95,203

Related Party Transactions

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

	Group	
	31 December 2025	31 December 2024
	RMB'000	RMB'000
Significant related party transactions:		
Rental expense	1,321	1,235
Purchase construction services	11,223	-
Purchase of design services	387	-
Purchase of catering services	392	525
Reversal of other payable	-	19,739

8. Dividends

No dividends were declared or paid during the year ended 31 December 2025 (2024: nil).

9. Trade Receivables

	Group	
	As at 31 December 2025	As at 31 December 2024
	RMB'000	RMB'000
Outside parties	1,128,260	1,074,421
Loss allowance	(195,875)	(195,436)
Total	932,385	878,985

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

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

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

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

9. Trade Receivables (Continued)

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

	Group						Total
	< 6 months	7 – 12 months	1 – 2 years	2 – 3 years	3 – 4 years	> 4 years	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2025							
Biomass subsidy receivable:							
Expected credit loss rate	4%	4%	4%	4%	4%	4%	
Estimated total gross carrying amount at default	68,877	78,701	67,071	97,233	103,290	43,535	458,707
Lifetime ECL	(2,755)	(3,148)	(2,683)	(39,920)	(103,290)	(42,933)	(194,729)
							263,978
Others:							
Expected credit loss rate	0%	0% - 5%	0% - 12.50%	1.50% - 50%	12.50% - 75%	50% - 100%	
Estimated total gross carrying amount at default	601,972	16,353	50,696	19	-	513	669,553
Lifetime ECL	-	-	(631)	(2)	-	(513)	(1,146)
							668,407
Total:							
Expected credit loss rate	0% - 4%	0% - 5%	0% - 12.50%	0% - 50%	0% - 75%	0% - 100%	
Estimated total gross carrying amount at default	670,849	95,054	117,767	97,252	103,290	44,048	1,128,260
Lifetime ECL	(2,755)	(3,148)	(3,314)	(39,922)	(103,290)	(43,446)	(195,875)
							932,385
As at 31 December 2024							
Biomass subsidy receivable:							
Expected credit loss rate	4%	4%	4%	4%	4%	4%	
Estimated total gross carrying amount at default	69,506	63,583	143,143	103,290	43,630	24,340	447,492
Lifetime ECL	(2,780)	(2,543)	(41,756)	(103,290)	(42,937)	(974)	(194,280)
							253,212
Others:							
Expected credit loss rate	0%	0% - 5%	0% - 12.50%	1.50% - 50%	12.50% - 75%	50% - 100%	
Estimated total gross carrying amount at default	579,738	32,525	13,544	-	-	1,122	626,929
Lifetime ECL	-	-	(34)	-	-	(1,122)	(1,156)
							625,773
Total:							
Expected credit loss rate	0% - 4%	0% - 5%	0% - 12.50%	0% - 50%	0% - 75%	0% - 100%	
Estimated total gross carrying amount at default	649,244	96,108	156,687	103,290	43,630	25,462	1,074,421
Lifetime ECL	(2,780)	(2,543)	(41,790)	(103,290)	(42,937)	(2,096)	(195,436)
							878,985

9. Trade Receivables (Continued)

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

Group	Lifetime ECL credit-impaired		Total
	Individually assessed	Collectively assessed	
	RMB'000	RMB'000	
Balance as at January 1, 2024	268	7,924	8,192
Change in loss allowance due to existing trade receivables originated	184,851	-	184,851
Change in loss allowance due to the recovery of trade receivables	-	(6,532)	(6,532)
Change in loss allowance due to deteriorating trade receivables aging bucket, net of those derecognised due to settlement	-	9,193	9,193
Write-off of bad debts	(268)	-	(268)
Balance as at December 31, 2024	184,851	10,585	195,436
Change in loss allowance due to existing trade receivables originated	6,603	-	6,603
Change in loss allowance due to the recovery of trade receivables	-	(2,628)	(2,628)
Change in loss allowance due to deteriorating trade receivables aging bucket, net of those derecognised due to settlement	-	3,676	3,676
Write-off of bad debt	(7,212)	-	(7,212)
Balance as at December 31, 2025	184,242	11,633	195,875

10. Inventories

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

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

	Group	
	As at 31 December 2025	As at 31 December 2024
	RMB'000	RMB'000
Raw materials	138,206	167,011
Total	138,206	167,011

Inventories are stated net of allowance.

Movements in allowance for inventories:	Group	
	As at 31 December 2025	As at 31 December 2024
	RMB'000	RMB'000
At beginning of year	508	508
Charge to profit or loss	-	-
At end of year	508	508

11. Financial Instruments

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

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

The following table presented the financial assets and financial liabilities of the Group measured at fair value:

	Group		Fair value hierarchy
	As at 31 December 2025	As at 31 December 2024	
	RMB'000	RMB'000	
Financial assets at fair value through other comprehensive income - unquoted equity shares	-	2,577	Level 3
Financial assets at fair value through other comprehensive income - notes receivables	51,515	69,187	Level 3

12. Goodwill

Goodwill is allocated to each cash-generating units ("CGU") identified that are expected to benefit from the business combination. The carrying amounts of goodwill of each CGU are as follows:

	Group	
	As at 31 December 2025	As at 31 December 2024
	RMB'000	RMB'000
Hebei Changrun Environmental Ltd.	5,483	5,483
Qingdao Xinyuan Thermal Power Co., Ltd.	20,423	20,423
Zhangjiagang Yongxing Thermal Power Co., Ltd	309,863	309,863
Changshu Suyuan Thermal Power Co., Ltd	79,813	79,813
Total	415,582	415,582

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

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

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the cash-generating units are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates and expected order book and direct costs during the period. Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the cash-generating units. Expected order book and direct costs are based on past practices and expectations of future changes in the market.

The Group has assessed the subsidiaries' financial performance and based on the impairment testing, the carrying amount of the cash-generating units as at 31 December 2025 was lower than the recoverable amount.

13. Borrowings

Amount repayable in one year or less, or on demand

(RMB'000)	As at 31 December 2025		As at 31 December 2024	
	Secured	Unsecured	Secured	Unsecured
Borrowings	1,739,448	-	1,643,812	10,000

Amount repayable after one year

(RMB'000)	As at 31 December 2025		As at 31 December 2024	
	Secured	Unsecured	Secured	Unsecured
Borrowings	1,670,134	-	2,008,960	-

Details of any collaterals:

	31 December 2025	31 December 2024
	RMB'000	RMB'000
Collaterals:		
Secured by building, land use rights, and service concession arrangement and equipment, pledged bank deposit of the subsidiaries	1,648,878	2,101,538
Guaranteed by another subsidiary	1,487,935	1,195,136
Secured by building, land use rights, and service concession arrangement and equipment of the subsidiary, and guaranteed by the Company	272,769	356,098

14. Convertible Bonds

	Group and Company	
	As at 31 December 2025	As at 31 December 2024
	RMB'000	RMB'000
Debt host liability component, at amortised costs	531,681	1,080,311
Equity component, conversion option	806	-
Total	532,487	1,080,311

On 3 March 2017, the Company issued convertible bonds ("CB1") amounting to US\$110 million and these were convertible into new shares at an initial conversion price of S\$0.50 per share.

In 2018, the Company obtained shareholders' approval in respect of an aggregate principal amount of up to US\$70 million Tranche 2 convertible bond ("CB2") with an initial conversion price of S\$0.60 per share, together with warrants exercisable at an aggregate amount of US\$30 million.

On 15 October 2018, the Company issued US\$20 million of CB2. Both CB1 and CB2 would otherwise bear interest of 2.5% per annum until the maturity date. The Group was required to achieve performance targets calculated based on its audited adjusted profit after taxation and minority interest ("Adjusted PATMI") (excluding fair value gain and losses of the CB and non-recurring income from the sale of assets and businesses and other mutually agreed accounting adjustments) ("Performance Targets"), otherwise adjustments would be made to the conversion price accordingly.

On 30 December 2020, the Company entered into an addendum agreement to defer the maturity date of CB1 and CB2 to 3 March 2023 as well as to revise the Performance Targets to encompass the change in business structure after the disposal of the M&S Segment. The terms to the addendum agreement were effective on 18 June 2021 upon certain conditions, of which, were contingent upon the successful disposal of the M&S Segment. The disposal was approved by the shareholders on 16 April 2021.

14. Convertible Bonds (Continued)

Pursuant to the disposal of the M&S Segment, a proposed special dividend approved by the shareholders on 16 April 2021 was also made to both the shareholders and bondholders. RMB 403,315,000 was paid to the bondholders during the year ended 31 December 2021.

In 2022, the maturity date of CB1 and CB2, which was initially on 3 March 2023, was elected by the bondholders to be the 15th Business Day after the date on which the Group's audited financial statements the financial year ended 31 December 2022 were issued.

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 to 3 April 2025. The conversion price of convertible bonds would remain at S\$0.50 for CB1 and S\$0.60 for CB2 and would no longer subject to the Group's performance target on adjusted profit after taxation and minority interests. Additionally, bondholders were entitled to a higher Total Internal Rate of Return at 10%.

Subject to certain conditions, this would give rise to a redemption balance of approximately US\$151.6 million on maturity date.

Due to the amendment agreement, terms of the bond were substantially modified and hence it would be accounted for as an extinguishment of the original liability and recognition of the new liability and the convertible feature would be classified as equity. As disclosed in Note 2.2 (d), management is of the view that the fair value of the revised convertible bond approximates the carrying amount of the previous convertible bond as the revised terms are negotiated with third party bondholders based on market terms. The Group had not adjusted for the fair value of the conversion feature as management is of the view that it is not material.

The Company effected payment of the First Tranche Partial Redemption Principal Amount of US\$46.4 million (RMB338.7 million), together with (i) accrued and unpaid interest on the First Tranche Partial Redemption Principal Amount of such Existing Bond and (ii) a premium of US\$7.6 million (RMB55.3 million) on 2 January 2025.

The Company effected payment of the Second Tranche Partial Redemption Principal Amount of US\$11.7 million (RMB85.4 million), together with (i) accrued and unpaid interest on the Second Tranche Partial Redemption Principal Amount of such Existing Bond and (ii) a premium of US\$2.05 million (RMB15 million) on 10 February 2025.

The Company effected payment of the Third Tranche Partial Redemption Principal Amount of US\$11.42 million (RMB82.9 million), together with (i) accrued and unpaid interest on the Third Tranche Partial Redemption Principal Amount of such Existing Bond and (ii) a premium of US\$2.08 million (RMB15.2 million) on 5 March 2025.

On 3 April 2025, the Company received S\$99.46 million (RMB 539.96 million) in gross proceeds from the issuance of renounceable non-written rights issue in aggregate principal amount of convertible bond convertible into 397.8 million new conversion shares, with 7% coupon interest rate per annum (the "Rights Issue of CB"). The convertible bonds will mature 5 years from the issue date of the Convertible Bonds. The net proceeds of approximately S\$94.83 million (approximately RMB515.88 million) from the Rights Issue of CB was used to fully repay the CB1 and CB2 on 7 April 2025. During the year of 2025, certain bondholders have opted to exercise their right to convert part of the Rights Issue of CB in the principal amount of S\$763,275. 3,053,100 Conversion Shares have been issued to the Bondholders at a Conversion Price of S\$0.25 as determined under the terms and conditions of the Rights Issue of CB.

	Group and Company	
	As at 31 December 2025	As at 31 December 2024
	RMB'000	RMB'000
<u>CB1</u>		
Nominal value of CB issued	-	757,856
Less: Transaction costs	-	(26,342)
Net value of CB issued	-	731,514
Foreign exchange loss	-	54,934
Cumulative interest accrued	-	679,425
Fair value gain on CB	-	(404,025)
Total	-	1,061,848
Less: Interest payables in accruals	-	(20,298)
Less: Interest paid to bondholders	-	(120,527)
Debt host liability component at the end of the year	-	921,023

14. Convertible Bonds (Continued)

	Group and Company	
	As at 31 December 2025	As at 31 December 2024
	RMB'000	RMB'000
<u>CB2</u>		
Nominal value of CB issued	-	138,285
Less: Transaction costs	-	(15,000)
Net value of CB issued	-	123,285
Foreign exchange loss	-	8,908
Cumulative interest accrued	-	86,195
Fair value gain on CB	-	(38,872)
Total	-	179,516
Less: Interest payables in accruals	-	(3,552)
Less: Interest paid to bondholders	-	(16,676)
Debt host liability component at the end of the year	-	159,288

	Group and Company	
	As at 31 December 2025	As at 31 December 2024
	RMB'000	RMB'000
<u>Rights issue of CB</u>		
Nominal value of CB issued	539,963	-
Less: Transaction costs	(5,748)	-
Less: Equity components	(806)	-
Net value of CB issued	533,409	-
Foreign exchange loss	1,343	-
Cumulative interest accrued	29,466	-
Total	564,218	-
Less: Interest payables in accruals	(9,171)	-
Less: Interest paid to bondholders	(19,159)	-
Less: Converted into shares	(4,207)	-
Debt host liability component at the end of the year	531,681	-

1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

On 3 April 2025, the Company received S\$99.46 million (RMB539.96 million) in gross proceeds from the issuance of renounceable non-written rights issue in aggregate principal amount of convertible bond convertible into 397.8 million new conversion shares, with 7% coupon interest rate per annum (the “Rights Issue of CB”). The convertible bonds will mature 5 years from the issue date of the Convertible Bonds. The net proceeds of approximately S\$94.83 million from the Rights Issue of CB was used to fully repay the CB1 and CB2 on 7 April 2025.

During the year of 2025, certain bondholders have opted to exercise their right to convert part of the Rights Issue of CB in the principal amount of S\$763,275 in accordance with the terms and conditions of the Right Issue of CB set out in the Trust Deed, the text of which is set out in Appendix II to the Offer Information Statement.

Pursuant to the said conversion, 3,053,100 Conversion Shares have been issued to the Bondholders at a Conversion Price of S\$0.25 as determined under the terms and conditions of the Rights Issue of CB. As a result, the total number of the issued and paid-up share capital of the Company has increased from 795,686,142 shares to 798,739,242 shares as at 31 December 2025 (FY2024: 795,686,142).

During the period from 1 October 2025 to 31 December 2025, certain bondholders exercised their right to convert additional CB with an aggregate principal amount of S\$4,915,489 in accordance with the terms and conditions of the Convertible Bonds as set out in the Trust Deed. Subsequent to the financial year end, pursuant to the said conversion, 19,661,956 Conversion Shares were issued at a Conversion Price of S\$0.25 per share, resulting in the aggregate principal amount of Convertible Bonds being reduced from S\$98,697,492 to S\$93,782,003. Following the allotment and issuance of the Conversion Shares on 12 January 2026, the Company’s issued and paid-up share capital increased from 798,739,242 shares to 818,401,198 shares, and the Conversion Shares rank pari passu in all respects with the existing ordinary shares of the Company, save for any dividends, rights, allotments or other distributions where the record date precedes the registration date of the Conversion Shares, in accordance with the terms and conditions of the Convertible Bonds.

There were no outstanding treasury shares held as at 31 December 2025 and 31 December 2024.

Total number of shares that may be issued on conversion of all the outstanding convertibles

Assuming that all outstanding convertible bonds under the Rights Issue of CB have been converted using the fixed conversion price of S\$0.25 and that all share options granted have been exercised as at 31 December 2025, the number of shares that may be issued as at 31 December 2025 is 394,789,968 ordinary shares (31 December 2024: 359,379,000 ordinary shares). The fully diluted shares (including treasury shares) as at 31 December 2025 is 1,193,529,210 ordinary shares (31 December 2024: 1,155,065,142 ordinary shares).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 December 2025	As at 31 December 2024
Total number of issued shares	798,739,242	795,686,142
Less: Total number of treasury shares	-	-
Total number of issued shares less treasury shares	798,739,242	795,686,142

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

These figures have neither been audited nor reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has consistently applied the same accounting policies and methods of computation in the Group's financial statements for the current reporting period and year compared with the audited financial statements for the full year ended 31 December 2024.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

None.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

(a) Based on the weighted average number of ordinary shares on issue; and

	Six months ended		Full year ended	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Net profit (loss) attributable to equity holders of the Company (RMB'000)	174,876	(2,459)	312,886	119,437
Weighted average number of ordinary shares outstanding ('000)	796,575	795,686	796,575	795,686
Earnings (loss) per share - Basic (RMB cents)	21.95	(0.31)	39.28	15.01

Basic earnings per share for six months and full year ended 31 December 2025 and 31 December 2024 have been calculated based on the weighted average number of ordinary shares issued at 796,575,232 ordinary shares and 795,686,142 ordinary shares respectively.

(b) On a fully diluted basis (detailing any adjustments made to the earnings)

	Six months ended		Full year ended	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Net profit (loss) attributable to equity holders of the Company (RMB'000)	177,814	(2,459)	360,916	119,437
Weighted average number of ordinary shares outstanding ('000)	1,191,365	795,686	1,191,365	795,686
Earnings (loss) per share - <i>Diluted</i> (RMB cents)	14.93	(0.31)	30.29	15.01

Diluted earnings per share for the above periods have been calculated by assuming the outstanding convertibles have been converted at S\$0.25 (2024: S\$0.50 and S\$0.60) based on exercise price of convertible bonds issued on 3 April 2025 (2024: 3 March 2017 and 15 October 2018 respectively), and that all share options granted have been exercised as at 31 December 2025.

7 Net Asset (Liability) Value per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

	Group		Company	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Net asset (liability) value per share (RMB cents)	368.49	319.66	12.78	(22.73)

The net asset (liability) value per share for 31 December 2025 and 31 December 2024 have been computed based on shareholders' equity as at these dates and the existing share capital of 798,739,242 ordinary shares and 795,686,142 ordinary shares as at 31 December 2025 and 31 December 2024 respectively.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) Any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

Review of the Group's performance for the full year ended 31 December 2025 ("FY2025") as compared with that of the full year ended 31 December 2024 ("FY2024")

Revenue

The Group's revenue is derived mainly from provision of utilities. Despite the prevailing macroeconomic pressures, the demand for steam was slightly increased compared with last year. Revenue has decreased by approximately RMB 168.5 million or 4.8% from RMB 3,505.2 million in FY2024 to RMB 3,336.7 million in FY2025, due mainly to the implementation of price adjustment mechanism as fuel costs decreased compared with last year. In addition, there was a decrease in the construction service revenue from service concession arrangements due to the reduced construction of BOT projects.

Gross Profit

Gross profit increased from RMB 892.8 million in FY2024 to RMB 981.3 million in FY2025, representing an increase of RMB 88.5 million or 9.9%. The increase in gross profit was due mainly to the following factors: (1) the execution of the price adjustment mechanism stabilised the gross profit of steam sales, (2) the growing demand for clean industrial steam increased the gross profit, (3) continuous management of the GI projects that gave rise to further improvement in production efficiency.

Profit before Income Tax

There was an increase in profit before income tax of RMB 264.6 million, or 77.9%, from RMB 339.6 million in FY2024 to RMB 604.2 million in FY2025. This was due mainly to the following:

- (a) Drop in other operating expenses of RMB 114.7 million, due mainly to the increase in provision for the allowance of biomass subsidy receivables in FY2024;
- (b) Reduction in finance costs of RMB 77.8 million from RMB 270.0 million in FY2024 to RMB 192.2 million in FY2025 due mainly to the reduced interest payments on Convertible Bonds as well as the effective implementation of reduction of financing costs of GI projects, including obtaining lower interest rate loans through structural adjustments and negotiating interest rate cuts with banks;
- (c) Increase of RMB 30.0 million or 100.3% from foreign exchange loss of RMB 29.9 million in FY2024 to foreign exchange gain of RMB 0.1 million in FY2025 due mainly to less depreciation of RMB against USD for the USD Convertible Bonds as CB1 and CB2 are redeemed in the first half of FY2025, while the foreign exchange gain on Rights Issue of CB has been offset by the forementioned exchange loss; and

[NB: A foreign exchange gain would have resulted from the appreciation and not depreciation of the RMB against USD.]

- (d) A rise in gross profit of RMB 88.5 million as explained above.

However, the above factors are offset by:

- (a) Drop in other operating income of RMB 28.9 million due to the fewer disposal of carbon emission quota in FY2025 as compared to FY2024, and recognition of reversal of other payables in FY2024;
- (b) Increase in administrative expenses of RMB 14.9 million from RMB 107.7 million in FY2024 to RMB 122.6 million in FY2025 as a result of one-off employee compensation payments related to Company's organisational rationalisation; and
- (c) Increase in selling and distribution expenses of RMB 6.6 million from RMB 79.5 million in FY2024 to RMB 86.1 million in FY2025 due mainly to the ramp-up of the Shantou project.

Income tax expenses

The income tax expense has increased by RMB 79.7 million from RMB 95.2 million in FY2024 to RMB 174.9 million in FY2025, which is in line with the profit growth.

Profit for the Financial Period

As a result of the above, the Group's net profit attributable to equity holders has increased by RMB 193.5 million or 162.0% from RMB 119.4 million in FY2024 to RMB 312.9 million in FY2025. Excluding the impact of financial effects of CB, the Group's net profit attributable to equity holders has increased by RMB 111.9 million or 45.0% from RMB 249.0 million in FY2024 to RMB 360.9 million in FY2025.

- (b) **Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of the Group's Financial Position

The Group's total current assets have decreased by RMB 290.6 million or 10.7% from RMB 2,713.8 million as at 31 December 2024 to RMB 2,423.2 million as at 31 December 2025. The decrease was attributable mainly to the following:

- (a) Drop in cash and cash equivalents of approximately RMB 348.4 million, due mainly to repayment of convertible bonds of RMB 1,108.5 million, net repayment of bank loans of RMB 253.2 million and acquisition of property, plant and equipment and intangible assets of RMB 136.5 million, which is offset by net proceeds from operating activities of RMB 791.7 million and issuance of rights issue of Convertible Bonds of RMB 540.0 million;
- (b) Decrease in other receivables, deposits and prepayments of RMB 44.4 million due mainly to the utilisation of input tax credits during the year; and
- (c) Drop in inventories of RMB 28.8 million due mainly to the consumption of raw materials.

However, the above factors are offset by:

- (a) Increase in pledged bank deposits of RMB 92.6 million as more collaterals were required for the credit facilities granted at the end of the year; and
- (b) Increase in trade receivables of RMB 53.4 million being consistent with the increase in demand for the current period as well as the longer credit period granted to clients in the ramp-up project.

The settlement of the biomass power subsidies is based mainly on the prevailing national policies set by the Ministry of Finance of the PRC and without a contractual payment plan. The Ministry of Finance of the PRC disburses the subsidies to the local State Grid and other competent authorities after the approval and then the local State Grid pays the subsidies to the biomass plants based on the volume of electricity sold to the State Grid after their inclusion into the subsidy catalogue. Delays in the payments of biomass subsidies occurred, therefore trade receivables continued to increase.

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. As disclosed in "Supplementary Notice on Relevant Matters of Several Opinions on Promoting the Healthy Development of Non-hydro Renewable Energy Generation" dated September 2020: Biomass power generation projects will no longer enjoy central financial subsidy funds after 15 years from the date of grid connection or after 82,500 hours of reasonable utilisation throughout its lifecycle.

Tongshan Project's biomass power generation business obtained its grid connection permit in 2021 and has passed the confirmation of the provincial-level competent authorities. The project has passed the review and acceptance of the National Energy Administration (Jiangsu Supervision Office) and the Jiangsu Development & Reform Commission. It is now being reviewed by the National Renewable Energy Information Management Center.

As at 31 December 2025, the Group has received a total of RMB 136.4 million in biomass subsidies for Xintai Project. As at 31 December 2025, the outstanding balance of biomass subsidies (net of loss allowance) for abovementioned two projects is RMB264.0 million, and the Group will continue to closely follow up on the status of trade receivables for biomass power generation business.

As for Shantou Project, which is 51%-owned by the Group, according to the concession agreement signed between the Shantou Chaonan Local Government and CES (a state-owned enterprise), CES is an authorised concessionaire. Shantou Project had previously signed a steam supply agreement with CES to undertake the supply of steam to over 100 downstream steam users in the Shantou Textile Circular Economy Industrial Park.

The Group had offered the downstream customers a payment grace period and management continues to monitor the receivable turnover days closely.

Approximately 66.7% and 27.7% of the trade receivables at 31 December 2024 and 31 December 2025 respectively were collected as at 31 January 2026, which were calculated based on the gross carrying amount of trade receivables. Loss allowances for trade receivables and contract assets are based on the expected credit loss model estimated by reference to past default experience of debtors, including historical and forward-looking information.

Collection efforts have been consistently maintained by the management through constant reminder to customers on their obligation including seeking legal action if necessary.

The Group's total non-current assets fell by RMB 91.4 million from RMB 5,593.5 million as at 31 December 2024 to RMB 5,502.1 million as at 31 December 2025. The following factors led to the decrease in non-current assets:

- (a) Decrease in intangible assets of RMB 54.2 million due mainly to the amortisation expenses incurred;
- (b) Decrease in other receivables, deposits and prepayments of RMB 48.9 million as a result of the reclassification of receivables related to BOT projects into intangible assets; and
- (c) Decrease in property, plant and equipment of RMB 21.4 million due mainly to the depreciation expenses incurred.

The above was offset by the increase in associate of RMB 35.8 million due mainly to the acquisition of 15% equity stake in Jining Xinneng Thermal Power Co., Ltd.

The Group's total current liabilities decreased by RMB 974.3 million or 27.5% from RMB 3,537.4 million as at 31 December 2024 to RMB 2,563.1 million as at 31 December 2025, due mainly to the decrease in convertible bonds of RMB 1,080.3 million due to repayment of the convertible bonds on maturity.

However, the above was offset by the increase in short-term loans of RMB 85.6 million due to new loans being taken during the year.

The Group's total non-current liabilities increased from RMB 2,226.4 million as at 31 December 2024 to RMB 2,418.9 million as at 31 December 2025, which is an increase of RMB 192.5 million or 8.6%. The increase was attributable mainly due to the recognition of convertible bonds of RMB 531.6 million as a result of the issuance of the rights issue of convertible bonds on 3 April 2025 which is offset by the fall in long-term loans of RMB 338.8 million as a result of the repayment of loans.

Review of the Group's cash flow statement

Net cash generated from operating activities amounted to approximately RMB 791.7 million in FY2025, due primarily to the following factors:

- (a) Increased working capital requirements due to the increase in trade receivables of RMB 61.1 million, decrease in financial assets at fair value through other comprehensive income of RMB 17.8 million, decrease in other receivables and prepayments of RMB 30.9 million, decrease in inventories of RMB 28.8 million, and decrease in trade payables, other payables and contract liabilities of RMB 3.7 million; and
- (b) Interest and tax paid of RMB 285.5 million in aggregate.

Net cash used in investing activities amounted to RMB 173.3 million due mainly to the acquisition of intangible assets of RMB 96.4 million, purchase of property, plant and equipment of RMB 32.3 million, acquisition of 15% equity stake in Jining Xinneng Thermal Power Co., Ltd of RMB 30.2 million and purchase of minority interest of RMB 11.6 million, which are offset by dividend received from associate of RMB 4.9 million.

Net cash used in financing activities amounted to RMB 966.7 million due mainly to repayment of convertible bonds of RMB 1,108.5 million, bank loans of RMB 1,997.3 million, increase in pledged deposit of RMB 92.6 million and interest paid of RMB 36.9 million, offset by proceeds from issuance of rights issue of RMB 540.0 million and bank loans of RMB 1,744.1 million.

Use of Proceeds from the Rights Issue of Convertible Bonds

On 3 April 2025, the Company received S\$99.46 million in gross proceeds from the Right Issue of Convertible Bonds (the "Rights Issue"). After deducting expenses of S\$1.06 million, the Company raised net proceeds of approximately S\$98.40 million from the Rights Issue ("Net Proceeds").

As disclosed in the "Use of Proceeds" section in the Offer Information Statement ("OIS") of the Right Issue dated 10 March 2025, the Company intends to use the Net Proceeds for the repayment of the Existing Bonds issued by the Company to the Existing Bondholders before the maturity date of the Existing Bonds.

In addition, as disclosed in the “Use of Proceeds” section of the OIS, in the event if there is excess Net Proceeds after the redemption of the Existing Bonds, the remaining amount of the Net Proceeds shall be retained by the Company for working capital purposes.

As at 31 January 2026, the Company has utilised all of the net proceeds from the Rights Issue as per the schedule below.

As of 31 January 2026	Use of Proceeds
Repayment of Existing Bonds	S\$94.83 million (approximately RMB515.88 million)
Payment for salaries and wages	S\$3.04 million (approximately RMB16.84 million)
Payment for intermediary service fees and office expenses	S\$0.53 million (approximately RMB3.00 million)
Total Net Proceeds used	S\$98.40 million (approximately RMB535.72 million)

Each of the above utilisation of the proceeds from the Rights Issue is consistent with the intended use as disclosed in the Company’s circular to shareholders.

Financial Effects of Convertible Bonds

Convertible Bonds (“the rights issue of CB”) were issued on 3 April 2025. In accordance with SFRS(I), the rights issue of CB is classified as a compound financial instrument and was split into its liability and equity components upon initial recognition. The liability component is measured at amortised cost using the effective interest method, with the amortised interest charges recognised in the statement of profit or loss. The equity component, representing the conversion feature, is recognised in equity at initial recognition and is not subsequently remeasured.

The financial effects of the rights issue of CB to the statement of profit or loss and other statements have no operational effects to the financial performance of the Group. Financial effects of the rights issue of CB consist of unrealised foreign exchange translation and amortised interest expenses (inclusive of interest charges) of Convertible Bonds.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There is no variance between the actual results and the forecast, or prospect statement previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The demand for clean and efficient industrial energy solutions is expected to remain resilient, supported by ongoing industrial upgrading, zoning policy, tightening environmental standards and China's sustained commitment to energy transition and high-quality development. The Group remains cautiously optimistic about the prospects of its GI business.

At the same time, digitalisation and artificial intelligence are emerging as key productivity drivers under the national push for New Quality Productivity (新质生产力). The acceleration of "AI+ Energy" initiatives is fostering wider adoption of intelligent control systems to enhance operational safety, efficiency and emissions performance.

Building on this momentum, the Group will continue to execute its growth strategy which is anchored on a dual-engine approach. First, it will continue to unlock value from its existing GI portfolio by enhancing efficiency, reliability and investment returns. Key initiatives include AI-powered boiler optimisation across its portfolio, capacity expansion, refined steam network management, integrated energy and carbon management systems, strategic feedstock procurement and inventory controls, and enhanced maintenance and lifecycle management. These initiatives are designed to improve margins, strengthen cost discipline and enhance the Group's position as a technology-driven clean energy service provider.

Second, the Group is pursuing incremental growth opportunities aligned with China's national policies. This includes the continued evaluation of the quality GI project pipeline for further investment, and participation in zero- and low-carbon industrial park developments, expansion into biomass and photovoltaic applications, and the integration of advanced AI and energy technologies to broaden its clean energy solutions beyond steam and power supply.

Sunpower is well-positioned to steadily advance its transformation from a traditional steam supplier into a technology-driven, AI-powered clean energy services provider.

11 If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

None.

**(b) (i) Amount per share in cents
(ii) Previous corresponding period in cents**

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

None.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended by the Board of Directors of the Company for the full year ended 31 December 2025 after comprehensive consideration of the Group's capital requirements.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for IPTs. The Group has established a procedure for recording and reporting interested person transactions. All interested person transactions are subject to review by the Company's Independent Committee to ensure they are carried out on normal commercial terms.

However, there are transactions performed under agreements that were entered into during the period in which the Company's IPT general mandate was in force, which was first adopted on 16 April 2021 and renewed on 27 May 2022 before it expired on 28 April 2023. By the nature of certain of such contracts, these transactions may only accrue upon the satisfaction of certain milestones. Accordingly, such IPTs as approved under the prior IPT general mandate are presented as and when they are accrued.

The IPTs for the full year ended 31 December 2025 are outlined as follows:

Name of Entity at Risk	Name of Interested Person	Nature of Relationship	Nature of Transaction	Aggregate value of all interested person transactions for the full year ended 31 December 2025 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) ¹ RMB'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual for the full year ended 31 December 2025 (excluding transactions less than S\$100,000) ² RMB'000
Shantou Sunpower Keying Thermal Power Co., Ltd.	Shandong Yangguang Engineering Design Institute Co., Ltd.	Associate of controlling shareholders	Payment for construction engineering design	245	-
			Construction fee paid for Engineering, Procurement and Construction ("EPC") contract	11,223	-

Name of Entity at Risk	Name of Interested Person	Nature of Relationship	Nature of Transaction	Aggregate value of all interested person transactions for the full year ended 31 December 2025 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) ¹	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual for the full year ended 31 December 2025 (excluding transactions less than S\$100,000) ²
				RMB'000	RMB'000
Jiangsu Sunpower Clean Energy Co., Ltd.	Jiangsu Sunpower Technology Co., Ltd.	Associate of controlling shareholders	Lease of office buildings	-	1,321

Note:

(1) The transactions listed in this column pertain to transactions that are non-mandated.

(2) The transactions listed in this column pertain to transactions performed under agreements that were entered into during the period which the Company's IPT general mandate was in force, which was first adopted on 16 April 2021 and renewed on 27 May 2022 before it expired on 28 April 2023. By the nature of certain of these contracts, certain transactions may only accrue upon the satisfaction of certain milestones. Accordingly, such IPTs as approved under the prior IPT general mandate are presented as and when they are accrued.

In connection with the renounceable non-underwritten rights issue of 7.00% convertible bonds (the "Rights Issue") announced on 5 February 2025, certain participants, including the estate of the late Dr. Lin Yucheng, Ms. Pan Shuhong, and entities controlled by them (collectively, the "Undertaking Lin and Pan Entities"), as well as Mr. Guo Hong Xin and entities under his control (collectively, the "Undertaking Guo Entities"), are regarded as interested persons of Sunpower Group Limited. Additional details regarding the Rights Issue and the allotment outcomes are disclosed in the Company's announcements dated 5 February 2025 and 31 March 2025, accessible on the SGX-ST website at www.sgx.com.

At the start of 2025, certain subsidiaries of the Group have entered into separate but substantially similar agreements with United Altech (Tianjin) Co., Ltd. ("Altech") (formerly known as Tianjin Xinzhi Energy Saving Technology Co., Ltd.) for the implementation of an AI intelligent control system for boiler and thermal energy facilities across multiple operating plants. The agreements were entered into on an arm's-length basis and in the ordinary course of business, and are intended to improve operational efficiency and achieve cost savings through intelligent automation. Implementation works under the projects have commenced, and the subsidiaries have made prepayments to Altech to facilitate the initial phase of implementation. As at 31 December 2025, such prepayments amounted to approximately RMB13.0 million and will be offset against Altech's verified cost savings achieved.

Altech is controlled by the estate of the late Dr. Lin Yucheng. Both the estate of the late Dr. Lin Yucheng and Ms. Pan Shuhong are shareholders of the Company. In addition, Ms. Pan Shuhong is also a director of both the Company and Altech. As such, the agreements constitute interested person transactions under Chapter 9 of the SGX Listing Manual.

14 Negative confirmation pursuant to Rule 705(5). (Not required for announcement) on full year results).

We hereby confirm on behalf of the Board of Directors of the Company ("the Board") that, to the best of our knowledge, nothing has come to the attention of the Board which may render the condensed financial statements for the six months and full year ended 31 December 2025 to be false or misleading in any material aspect.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company has obtained undertakings from all directors and executive officers.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 16 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Please refer to Note 4 of Notes to Condensed Financial Statements.

- 17 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Note 8 of Condensed Financial Statements.

- 18 A breakdown of sales.**

	Group		Change %
	2025 RMB'000	2024 RMB'000	
(a) Sales reported for first half year	1,601,922	1,736,965	(7.8%)
(b) Operating profit after tax before deducting non-controlling interests reported for the first half year	199,087	197,646	0.7%
(b) Sales reported for second half year	1,734,732	1,768,219	(1.9%)
(b) Operating profit after tax before deducting non-controlling interests reported for the second half year	230,152	46,766	392.1%

- 19 A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year.**

(a) Ordinary

	FY2025		FY2024	
	S\$	RMB	S\$	RMB
Final dividends paid per share	N/A	N/A	N/A	N/A
Number of shares	798,739,242	798,739,242	795,686,142	795,686,142
Total	N/A	N/A	N/A	N/A

(b) Preference

Not applicable.

(c) Total

Please refer to paragraph 19(a).

20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company wishes to advise that none of the persons occupying managerial positions in the Company or any of its principal subsidiaries are related to a director, chief executive officer or substantial shareholder of the Company.

For and on behalf of the

Board of Directors of

SUNPOWER GROUP LTD.

Lin Jiankai
Executive Director, CEO

Yang Zheng
Lead Independent Director

BY ORDER OF THE BOARD

Lin Jiankai
Executive Director, CEO

27 February 2026