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雲能國際
YUNNAN ENERGY INTERNATIONAL

Yunnan Energy International Co. Limited

雲能國際股份有限公司*

(Incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 1298)

(Singapore Stock Code: T43)

**CONNECTED AND DISCLOSEABLE TRANSACTIONS
ACQUISITION OF 6.67% EQUITY INTEREST
IN DAYAO GREEN ENERGY**

THE TRANSACTIONS

The Board is pleased to announce that on 19 January 2024 (after trading hours of the Stock Exchange), the Company entered into the Equity Transfer Agreement with the Vendor and Dayao Green Energy, pursuant to which (i) the Vendor has agreed to sell, and the Company has agreed to acquire, approximately 6.67% equity interest in Dayao Green Energy at nil consideration; and (ii) the Company has agreed to make capital contribution of RMB50,000,000 into Dayao Green Energy, according to its equity interest in Dayao Green Energy following completion of the equity transfer.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Yunnan Provincial Energy and its associates control or are entitled to exercise control over approximately 73.05% of the total issued share capital of the Company. Dayao Green Energy is a wholly-owned subsidiary of the Vendor and the Vendor is an indirect wholly-owned subsidiary of Yunnan Provincial Energy. Therefore, the Vendor and Dayao Green Energy are associates of Yunnan Provincial Energy and connected persons of the Company for the purpose of Chapter 14A of the Listing Rules, and accordingly the Transactions constitute connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of the Transactions is above 5%, the Transactions are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, as one or more of the applicable percentage ratios of the Transactions is more than 5% but less than 25%, the Transactions also constitute discloseable transaction of Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Company will convene the SGM for the purpose of allowing the Independent Shareholders to consider, and if thought fit, to approve the Equity Transfer Agreement and the transactions contemplated thereunder. A circular containing, among others, (i) details of the Equity Transfer Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee containing its opinion and recommendation on the Equity Transfer Agreement and the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its opinion and recommendation on the Equity Transfer Agreement and the transactions contemplated thereunder; and (iv) a notice convening the SGM, will be despatched to the Shareholders in due course. As the Company requires additional time to prepare and finalize certain information for inclusion in the circular, it will despatch the circular to Shareholders on or before 23 February 2024.

INTRODUCTION

The Board is pleased to announce that on 19 January 2024 (after trading hours of the Stock Exchange), the Company entered into the Equity Transfer Agreement with the Vendor and Dayao Green Energy, pursuant to which, (i) the Vendor has agreed to sell, and the Company has agreed to acquire, approximately 6.67% equity interest in Dayao Green Energy at nil consideration; and (ii) the Company has agreed to make capital contribution of RMB50,000,000 into Dayao Green Energy, according to its equity interest in Dayao Green Energy following completion of the equity transfer.

As the Company will only hold approximately 6.67% equity interest in Dayao Green Energy and will not obtain statutory control over Dayao Green Energy, after completion of the Transactions, Dayao Green Energy will not become a subsidiary of the Company and therefore its financial results will not be consolidated into the financial statements of the Group. Dayao Green Energy will be classified as equity investment at fair value through other comprehensive income in the financial statements of the Group.

EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out as follows:

Date

19 January 2024

Parties

- 1) The Company (as purchaser);
- 2) The Vendor (as seller); and
- 3) Dayao Green Energy

Transfer of Equity Interest in Dayao Green Energy

As at the date of this announcement, the Vendor holds 100% equity interest in Dayao Green Energy. Pursuant to the Equity Transfer Agreement, (i) the Vendor has agreed to sell, and the Company has agreed to acquire, approximately 6.67% equity interest in Dayao Green Energy at nil consideration, and (ii) the Company has agreed to make capital contribution of RMB50,000,000 into Dayao Green Energy, according to its equity interest in Dayao Green Energy following completion of the equity transfer.

The nil acquisition consideration was determined after arm's length negotiations between the Vendor and the Company on the consensus that the respective equity investment in the Dayao Projects of the Vendor and the Company shall be made by way of capital contribution into Dayao Green Energy in accordance with the proposed respective equity interest of the Vendor and the Company in Dayao Green Energy, i.e. 93.33% and 6.67% of the registered capital of Dayao Green Energy of RMB750,000,000 respectively.

As the Company will only hold approximately 6.67% equity interest in Dayao Green Energy and will not obtain statutory control over Dayao Green Energy, after completion of the Transactions, Dayao Green Energy will not become a subsidiary of the Company and therefore its financial results will not be consolidated into the financial statements of the Group. Dayao Green Energy will be classified as equity investment at fair value through other comprehensive income in the financial statements of the Group.

Registered capital of Dayao Green Energy

The registered capital of Dayao Green Energy is RMB750,000,000, of which RMB169,000,000 has been paid up by the Vendor as at the date of this announcement. Pursuant to the Equity Transfer Agreement, the Vendor and the Company have agreed to contribute capital by cash payment, after the registration procedures with the PRC administration of market regulation in relation to the transfer of approximately 6.67% equity interest in Dayao Green Energy from the Vendor to the Company has been completed. Capital contributions will be made by installments according to the funding requirement of the Dayao Projects and within one month upon receipt of the capital contribution request from Dayao Green Energy. If a shareholder fails to make capital contributions as required by the capital contribution request of Dayao Green Energy, such shareholder shall be temporarily restricted from exercising the right to request for profit distribution and the right to vote until the capital contribution has been made. Details of the capital contributions and equity interest in Dayao Green Energy upon completion of the Transactions are listed below:

| Parties | Capital Contribution | Equity Percentage |
|----------------|-----------------------------|--------------------------|
| The Vendor | RMB700,000,000 | 93.33% |
| The Company | RMB50,000,000 | 6.67% |
| Total | <u>RMB750,000,000</u> | <u>100%</u> |

The amount of capital contribution was determined after arm's length negotiations between the Vendor and the Company with reference to, among others, the registered capital of Dayao Green Energy, the respective equity interest in Dayao Green Energy, and the capital needs for the investment, construction, operation and management of the Dayao Projects. The Company intends to fund its capital contribution from internal resources of the Group.

Completion of Equity Transfer

Within 30 days from the effective date of the Equity Transfer Agreement, the parties shall cooperate to complete the registration procedures with the PRC administration of market regulation in relation to the transfer of approximately 6.67% equity interest in Dayao Green Energy from the Vendor to the Company. All shareholders of Dayao Green Energy shall enjoy their shareholder rights and assume corresponding shareholder obligations in accordance with, among others, the Company Law of the PRC and the articles of association of Dayao Green Energy, including shareholder identity right, information right, dividend right, voting right, repurchase right and inquiry right.

Conditions precedent and effectiveness

The Equity Transfer Agreement shall become effective, conditional on the Company's compliance with all applicable laws, rules and regulations (including but not limited to the Listing Rules) as regards the transactions contemplated under the Equity Transfer Agreement, including but not limited to the Company having obtained approval from the Independent Shareholders at the SGM.

Management of Dayao Projects

The Vendor entered into the Cooperation Agreements with 大姚縣人民政府 (Dayao County People's Government*) to obtain the right to develop the Dayao Projects. According to the Cooperation Agreements, the Vendor shall establish a separate project company (i.e. Dayao Green Energy) in Dayao County to be responsible for the development, construction, operation and management of the Dayao Projects. In order to expedite the development of the Dayao Projects, before Dayao Green Energy was duly established, all approval procedures in respect of the Dayao Projects, including pre-approval, approval and filings etc., were carried out in the name of the Vendor. After establishment of Dayao Green Energy, for the purpose of consistency, the Vendor continued to conduct the approval procedures of the Dayao Projects in its own name. The Vendor and Dayao County People's Government agreed that upon its establishment, Dayao Green Energy shall serve as the investment, construction, operation and management entity of the Dayao Projects and assume all rights and obligations of the Vendor relating to the Dayao Projects. For the sake of prudence, Yunnan Energy Investment (HK) has issued an undertaking dated 19 January 2024 in favour of the Company, pursuant to which Yunnan Energy Investment (HK) has agreed to compensate the Company losses suffered arising from above approval procedures being carried out and obtained by the Vendor.

Shareholders' meetings of Dayao Green Energy

According to the articles of association of Dayao Green Energy, the voting rights shall be exercised by the shareholders at shareholders' meetings in accordance with the proportion of capital contribution subscribed. Resolutions on important matters as stipulated in the articles of association of Dayao Green Energy shall be passed by shareholders representing two-thirds or more of the voting rights of all the shareholders. Resolutions on other matters shall be passed by shareholders representing a majority of the voting rights of all the shareholders.

According to the Equity Transfer Agreement, the change in composition or structure of equity interests of Dayao Green Energy and the winding up and dissolution of Dayao Green Energy will require approval of all shareholders of Dayao Green Energy.

Composition of Director, Supervisor and Senior Management of Dayao Green Energy

Dayao Green Energy will have one director who shall be nominated and appointed by the Vendor.

Dayao Green Energy will have one supervisor who shall be nominated and appointed by the Vendor.

Dayao Green Energy shall have one general manager, two deputy general managers and one chief financial officer. The general manager shall be nominated by the Vendor and appointed by the sole director of Dayao Green Energy. The Vendor shall be entitled to nominate one deputy general manager and the Company shall be entitled to nominate one deputy general manager, both of whom shall all be appointed by the sole director of Dayao Green Energy. The deputy general manager nominated by the Company shall have the right to access and monitor Dayao Green Energy's investment, operation, and financial information. The chief financial officer shall be nominated by the Vendor and appointed by the sole director of Dayao Green Energy.

Right of first refusal

According to the PRC Law, in the event that a shareholder of Dayao Green Energy wishes to transfer its equity interest in Dayao Green Energy to a third party that is not an existing shareholder of Dayao Green Energy, the other shareholder of Dayao Green Energy shall have the right of first refusal to acquire such equity interest.

INFORMATION OF THE PARTIES

Dayao Green Energy

Dayao Green Energy is a company established in the PRC with limited liability on 10 April 2023. The main business activities of Dayao Green Energy will comprise of: power generation, transmission and supply (distribution); technical services for solar power generation; technical services for wind power generation; technology services, technology development, technology consultation, technology exchange, technology transfer and technology promotion; development of wind farm related systems; engineering management services; energy-saving management services; photovoltaic electricity generation equipment rental; photovoltaic equipment and components manufacturing; photovoltaic equipment and components sales. As at the date of this announcement, Dayao Green Energy is a wholly-owned subsidiary of the Vendor. Given that the Vendor established Dayao Green Energy in April 2023 and did not acquire it from a third party, there is no original acquisition cost of the equity interest in Dayao Green Energy.

As confirmed by the Vendor and according to the Cooperation Agreements entered into between the Vendor and Dayao County People's Government, Dayao Green Energy is the sole designated legal entity for the investment, construction, operation and management of the Dayao Projects.

Set out below is the summary of financial information of Dayao Green Energy for the period from 10 April 2023 (date of incorporation) to 31 December 2023, as extracted from the unaudited management accounts of Dayao Green Energy:

**For the period from
10 April 2023
(date of incorporation) to
31 December 2023
RMB**

| | |
|----------------------------|---|
| Revenue | 0 |
| Net profit before taxation | 0 |
| Net profit after taxation | 0 |

Based on its unaudited management accounts, Dayao Green Energy had total assets of approximately RMB411.4 million, total liabilities of approximately RMB241.9 million and net assets of approximately RMB169.5 million respectively as at 31 December 2023.

Yunnan Provincial Energy

Yunnan Provincial Energy is a company established in the PRC and is an important provincial state-owned backbone enterprise with energy, modern logistics, and new green energy materials as its three main businesses and is an important platform for the implementation of energy strategy as well as the reform and innovative development of the energy industry in Yunnan Province. The Yunnan Provincial Energy Group takes the initiative to take charge of national energy security, and keep the top priorities of the Belt and Road Initiative, centering on the vision and goal of “building a first-class domestic green energy enterprise”, accelerating the development of greening, marketization, integration and digitization, strengthening the breakdown segments of the core business of energy namely “eight + X”, which consists of “wind power, photovoltaic power, hydropower, thermal power, natural gas, coal, modern logistics, new materials, and new energy track”.

As at the date of this announcement, Yunnan Provincial Energy is (i) approximately 30.99% owned by 雲南省投資控股集團有限公司 (Yunnan Investment Holding Group Co., Ltd.*) (“**Yunnan Investment Holding**”), which is in turn 90% owned by 雲南省人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of Yunnan Provincial People’s Government of the PRC*) (“**Yunnan SASAC**”), (ii) approximately 27.85% owned by Yunnan SASAC, (iii) approximately 13.94% owned by 雲南雲投資本營運有限公司 (Yunnan Yun Investment Capital Operation Co., Ltd.*), which is in turn approximately 72.99% owned by Yunnan Investment Holding, (iv) approximately 11.52% owned by 雲南溢能新能源發展有限責任公司 (Yunnan Yineng New Energy Development Co., Ltd.*), which is in turn wholly owned by Yunnan Investment Holding, and (v) approximately 5.24% owned by 雲南省資產管理有限公司 (Yunnan Asset Management Co., Ltd.*), which is in turn wholly owned by Yunnan Investment Holding. The remaining 10.46% equity interest of Yunnan Provincial Energy are owned by certain companies (each holding less than 10%).

The Vendor

The Vendor is a company established in the PRC and its main business activities include power generation, transmission and supply (distribution): technical services for solar power generation; technical services for wind power generation; technology services, technology development, technology consultation, technology exchange, technology transfer and technology promotion; development of wind farm related systems; engineering management services; energy-saving management services; photovoltaic electricity generation equipment rental; photovoltaic equipment and components manufacturing; photovoltaic equipment and components sales. The Vendor is an indirect wholly-owned subsidiary of Yunnan Provincial Energy.

Yunnan Energy Investment (HK)

Yunnan Energy Investment (HK) is a company established in Hong Kong with limited liability, and it is an investment holding company and through its subsidiaries, is mainly engaged in hydropower, natural gas power generation, power grids, international energy engineering and international energy finance. Yunnan Energy Investment (HK) is a wholly-owned subsidiary of Yunnan Provincial Energy and an intermediate holding company of the Company.

The Group

The Group is principally engaged in, among others, (i) the provision of distribution and after-sales services in the PRC for different analytical instruments, including chromatographs, spectrophotometers, electronic microscopes, life science and general laboratory instruments, with specialised and customised hardware and software, to provide solutions and facilitate scientific analysis and testing; and (ii) the trading and supply chain business on diversified industrial and consumer products.

REASONS FOR BENEFITS OF ENTERING INTO THE TRANSACTIONS

The parties believe that the Dayao Projects represent an attractive opportunity with potential for growth. Given that Yunnan Provincial Energy has established business network and extensive industry resources in international and domestic green energy projects, the Directors are of the view that the cooperation with Yunnan Provincial Energy in the Dayao Projects is in line with the Company's strategic objective of investing in green energy projects. The Directors are of the view that the participation in the investment in the Dayao Projects will provide the Company with further experience in the investment and operation of green energy projects, so as to better support the Company implementing its next strategic arrangement to develop the green energy market in Southeast Asia. The Dayao Projects themselves represent a good opportunity for the Group to improve its profitability, thereby enhancing the Group's long term growth and creating value for the Shareholders.

In April 2022, the Vendor and Dayao County People's Government entered into the Cooperation Agreement I, pursuant to which, among others, the Vendor shall have the exclusive right to invest and develop certain green energy power generation stations, with a total construction scale (installed capacity) of 45,000 kilowatts, in Bohou Village, Dayao County, Chuxiong Prefecture, Yunnan Province, the PRC. In November 2022, the Vendor and Dayao County People's Government entered into the Cooperation Agreement II, pursuant to which, among others, (i) Dayao County People's Government shall screen out a list of new energy base projects and land plots in Dayao County, Chuxiong Prefecture, Yunnan Province, the PRC, and (ii) the Vendor shall have the exclusive right to invest and develop certain green energy power generation stations, with a total construction scale (installed capacity) of not less than 600,000 kilowatts, in the selected area. The total investment amount of the Dayao Projects is estimated to be approximately RMB3,250 million, which is expected to be financed by shareholders' capital contribution and external financing. The development and operation period of the Dayao Projects is 25 years from the date of the relevant land transfer agreement, and the project will be transferred to Dayao County People's Government at nil consideration upon the expiration of such period. The Vendor has subsequently carried out the preliminary work and obtained various requisite permits and government approvals for certain photovoltaic solar power generation stations, including approvals related to environmental impact assessment and construction permits. It was agreed and stated in the Cooperation Agreements that the Vendor would establish a subsidiary as the project company for the investment, construction, operation and management of the abovementioned green energy power generation stations, and all the rights and obligations of the Vendor under the Cooperation Agreements would vest in such subsidiary.

Dayao Green Energy has been established by the Vendor as the sole designated legal entity for the investment, construction, operation and management of the Dayao Projects. On 13 July 2023, Dayao Green Energy entered into the EPC Agreement with 中國電建集團昆明勘測設計研究院有限公司 (China Power Construction Corporation Kunming Survey and Design Institute Co., Ltd.*, an independent third party) for the construction work of six photovoltaic solar power generation stations with a total installed capacity of approximately 523,000 kilowatts under the Dayao Projects, which has commenced as at the date of this announcement and is expected to complete in the first half of 2024. Following completion of the construction and grid connection, Dayao Green Energy shall commence the commercial operation of the abovementioned six photovoltaic solar power generation stations in the region, with recurring revenue expected to be generated from the second half of 2024 onward.

Having considered the nature and size of the Dayao Projects, the Directors consider that a minority interest in Dayao Green Energy would be an appropriate complement to the Group's existing businesses. The capital contribution into Dayao Green Energy by the Company is intended to be funded by internal resources of the Group.

As at the date of this announcement, Dayao Green Energy is indirectly wholly-owned by Yunnan Provincial Energy. The Yunnan Provincial Energy Group is mainly engaged in, among other things, investment and management of electric power, green energy, coal energy, new energy and other electric-related resources, investment planning and its technical, consulting and information services, and joint investment of natural gas resources and the pipe networks. As at 31 December 2022, the consolidated asset of the Yunnan Provincial Energy Group was approximately RMB251.1 billion and it recorded revenue of approximately RMB126.1 billion for the year ended 31 December 2022. The Yunnan Provincial Energy Group was ranked 204th among China's top 500 enterprises in 2023, in terms of operating income in 2022 as announced by China Enterprise Confederation (中國企業聯合會) and China Enterprise Directors Association (中國企業家協會). As at 31 December 2022, the Yunnan Provincial Energy Group's consolidated installed capacity was approximately 20.3 million kilowatts, accounting for about 20% of total installed capacity in Yunnan Province and about 80% of which are installed capacity related to green energy. The above demonstrated that the Yunnan Provincial Energy Group possess the extensive experience and expertise in the construction and development of green energy projects.

Following completion of the Transactions, the Vendor will remain as the controlling shareholder of Dayao Green Energy and will continue to lead the daily business operation and management of Dayao Green Energy. The Group would not only leverage the Yunnan Provincial Energy Group's advantages and influence in the fields of green energy, but also take a pro-active role in the management of Dayao Green Energy and the Dayao Projects, by nominating a representative to the management team to participate in the daily business operation and management of Dayao Green Energy, and oversee the investment, operating and financing activities of Dayao Green Energy. In addition, certain reserved matters require approval from all shareholders of Dayao Green Energy including the Company. As such, the Directors are of the view that there are appropriate measures in place to monitor and protect the Group's interest in Dayao Green Energy.

Taking into consideration of the above, the Directors (excluding the independent non-executive Directors who will form their view after considering the advice of the Independent Financial Adviser) consider that the Equity Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

BOARD APPROVAL

No Director was required to abstain from voting on the Board resolution approving the Equity Transfer Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATION

As at the date of this announcement, Yunnan Provincial Energy and its associates control or are entitled to exercise control over approximately 73.05% of the total issued share capital of the Company. Dayao Green Energy is a wholly-owned subsidiary of the Vendor and the Vendor is an indirect wholly-owned subsidiary of Yunnan Provincial Energy. Therefore, the Vendor and Dayao Green Energy are associates of Yunnan Provincial Energy and connected persons of the Company for the purpose of Chapter 14A of the Listing Rules, and accordingly the Transactions constitute connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of the Transactions is above 5%, the Transactions are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, as one or more of the applicable percentage ratios of the Transactions is more than 5% but less than 25%, the Transactions also constitute discloseable transaction of Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

In accordance with the Listing Rules, any Shareholder who has a material interest in the Equity Transfer Agreement and the transactions contemplated thereunder shall abstain from voting on the resolution to approve the Equity Transfer Agreement and the transactions contemplated thereunder at the SGM. As at the date of this announcement, Yunnan Provincial Energy and its associates, namely Baodi International Investment, who together are interested in 201,196,995 Shares, representing approximately 73.05% of the total issued share capital of the Company, will be required to abstain from voting on the resolution at the SGM accordingly. Save as disclosed above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no other Shareholder has a material interest in the Equity Transfer Agreement and the transactions contemplated thereunder and will be required to abstain from voting on the resolution to approve the Equity Transfer Agreement and the transactions contemplated thereunder at the SGM.

An Independent Board Committee comprising all the independent non-executive Directors (who have no material interest in the Transactions) has been established to advise the Independent Shareholders on the Equity Transfer Agreement and the transactions contemplated thereunder.

The Company has appointed Halcyon Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Equity Transfer Agreement and the transactions contemplated thereunder in accordance with the Listing Rules.

GENERAL

The Company will convene the SGM for the purpose of allowing the Independent Shareholders to consider, and if thought fit, to approve the Equity Transfer Agreement and the transactions contemplated thereunder. A circular containing, among others, (i) details of the Equity Transfer Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee containing its opinion and recommendation on the Equity Transfer Agreement and the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its opinion and recommendation on the Equity Transfer Agreement and the transactions contemplated thereunder; and (iv) a notice convening the SGM, will be despatched to the Shareholders in due course. As the Company requires additional time to prepare and finalize certain information for inclusion in the circular, it will despatch the circular to Shareholders on or before 23 February 2024.

DEFINITIONS

Unless otherwise specified, the capitalised terms have the following meanings in this announcement:

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| “associate” | has the meaning ascribed to it under the Listing Rules |
| “Board” | the board of Directors |
| “CDP” | The Central Depository (Pte) Limited |
| “Company” | Yunnan Energy International Co. Limited, a company incorporated in Bermuda with limited liability, the Shares of which are primarily listed on the Main Board of the Stock Exchange and secondarily listed on the Main Board of the SGX-ST |
| “connected person” | has the meaning ascribed to it under the Listing Rules |
| “controlling shareholder(s)” | has the meaning ascribed to it under the Listing Rules |
| “Cooperation Agreement I” | the Dayao County Bohou Village photovoltaic solar power station construction agreement entered into between the Vendor and 大姚縣人民政府 (Dayao County People’s Government*) in April 2022 |
| “Cooperation Agreement II” | the Dayao County 600,000 kilowatts new energy base projects investment and development cooperation agreement entered into between the Vendor and 大姚縣人民政府 (Dayao County People’s Government*) on 30 November 2022 |

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| “Cooperation Agreements” | the Cooperation Agreement I and the Cooperation Agreement II |
| “Dayao Green Energy” | 大姚雲能投綠色能源開發有限公司(YEIG Dayao Green Energy Generation Co., Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Vendor as at the date of this announcement |
| “Dayao Projects” | the investment, construction, operation and management of certain green energy power generation stations, with a total construction scale (installed capacity) of not less than 645,000 kilowatts in Dayao County, Chuxiong Prefecture, Yunnan Province, the PRC under the Cooperation Agreements |
| “Director(s)” | the director(s) of the Company |
| “EPC Agreement” | the engineering, procurement and construction agreement in relation to the designing, procurement, construction and installation of certain green energy power generation stations entered into between Dayao Green Energy and 中國電建集團昆明勘測設計研究院有限公司 (China Power Construction Corporation Kunming Survey and Design Institute Co., Ltd.*) dated 13 July 2023 |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Board Committee” | the independent board committee of the Board, comprising all the independent non-executive Directors, established to advise the Independent Shareholders in respect of the Equity Transfer Agreement and the transactions contemplated thereunder |

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| “Independent Financial Adviser” | Halcyon Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in connection with the Equity Transfer Agreement and the transactions contemplated thereunder |
| “Independent Shareholders” | the Shareholders other than Yunnan Provincial Energy and its associates |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |
| “Equity Transfer Agreement” | the equity transfer agreement entered into between the Company, the Vendor and Dayao Green Energy on 19 January 2024 |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “SGX-ST” | the Singapore Exchange Securities Trading Limited |
| “SGM” | the special general meeting of the Company to be convened for, among other matters, approving the Equity Transfer Agreement and the transactions contemplated thereunder |
| “Share(s)” | the ordinary share(s) of US\$0.05 each in the share capital of the Company |
| “Shareholder(s)” | registered holder(s) of Share(s) in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose securities accounts the Shares are credited and where the registered holder is CCASS |

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| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Transactions” | the acquisition of approximately 6.67% equity interest in Dayao Green Energy by the Company from the Vendor and the capital contribution by the Company into Dayao Green Energy under the Equity Transfer Agreement |
| “US\$” | United States dollars, the lawful currency of the United States of America |
| “Vendor” | 雲南能投新能源投資開發有限公司 (Yunnan Energy Investment Development Co., Ltd*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of Yunnan Provincial Energy |
| “Yunnan Energy Investment (HK)” | Yunnan Energy Investment (HK) Co. Limited, a company incorporated under the laws of Hong Kong with limited liability, a wholly-owned subsidiary of Yunnan Provincial Energy and an intermediate holding company of the Company |
| “Yunnan Provincial Energy” | 雲南省能源投資集團有限公司 (Yunnan Provincial Energy Investment Group Co., Ltd*), a company incorporated in the PRC with limited liability and the ultimate controlling shareholder of the Company |
| “Yunnan Provincial Energy Group” | Yunnan Provincial Energy and its subsidiaries |
| “%” | per cent |

By Order of the Board
Yunnan Energy International Co. Limited
HU Xiangwei
Chairman

Hong Kong, 19 January 2024

As of the date of this announcement, the Board comprises Mr. HU Xiangwei, Ms. ZHU Yingxue, Mr. YANG Jie, Mr. WANG Jin and Mr. SONG Henan as the executive Directors; and Mr. SHI Fazhen, Mr. LIU Zongliu and Ms. JING Pilin as the independent non-executive Directors.

* For identification purposes only