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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)

CONTINUING CONNECTED TRANSACTIONS UNDER THE MASTER PURCHASE AGREEMENT

Independent Financial Adviser to the Independent Board Committee and Independent Shareholders

WRISE CAPITAL

WRISE CAPITAL LIMITED

INTRODUCTION

The Board is pleased to announce that the Company on 14 January 2026 (Hong Kong time after trading hours) entered into the Master Purchase Agreement with Yunnan Energy New Materials for a term commencing from the Commencement Date to 31 December 2027 subject to conditions.

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. Yunnan Energy New Materials is a wholly-owned subsidiary of Yunnan Provincial Energy. Therefore, Yunnan Energy New Materials is an associate of Yunnan Provincial Energy and a connected person of the Company for the purpose of Chapter 14A of the Listing Rules, and accordingly the transactions contemplated under the Master Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the proposed annual cap of the Master Purchase Agreement exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, circular (including independent financial advice), Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that the Company on 14 January 2026 (Hong Kong time after trading hours) entered into Master Purchase Agreement with Yunnan Energy New Materials for a term commencing from the Commencement Date to 31 December 2027 subject to conditions.

Master Purchase Agreement

The material terms of the Master Purchase Agreement are summarised below:

Date:	14 January 2026 (after trading hours)
Parties:	(i) the Company (for itself and on behalf of the Group); and (ii) Yunnan Energy New Materials (for itself and on behalf of Yunnan Energy New Materials Group).
Duration:	From the Commencement Date to 31 December 2027 (both days inclusive).
Condition Precedent:	The Master Purchase Agreement is conditional on and subject to compliance by the Company with relevant requirements of the Listing Rules in respect of the Master Purchase Agreement, including but not limited to obtaining the Independent Shareholders' approval at the SGM. Save as disclosed above, the Master Purchase Agreement is not subject to other conditions precedent.
Subject matter:	Each member of the Group may, at its absolute discretion, request to purchase its required silicon materials (organic silicon/industrial silicon) from members of Yunnan Energy New Materials Group. Upon receiving purchase request from members of the Group, the relevant member of Yunnan Energy New Materials Group may at its absolute discretion decide whether to sell to the relevant member of the Group the required silicon materials.

	The terms and conditions of the purchase of silicon materials shall be agreed by relevant member of the Group and Yunnan Energy New Materials Group in writing by individual agreements from time to time. The principal terms and pricing policy of such individual agreements shall be consistent with the terms of the Master Purchase Agreement.
Price determination:	The overall terms and conditions (including but not limited to price, payment terms and credit terms) as a whole offered by the relevant member of Yunnan Energy New Materials Group to relevant member of the Group shall be no less favourable to the relevant member of the Group than those offered by Independent Third Parties and shall be on normal commercial terms or better. Each individual agreement shall be negotiated on an arm's length basis.

INTERNAL CONTROL PROCEDURES AND PRICING POLICIES

In order to safeguard the interests of the Company and the Shareholders, and to ensure that the Master Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and on terms no less favourable to the Group than those offered by Independent Third Parties, in determining whether the overall terms and conditions of any purchases conducted pursuant to the Master Purchase Agreement, the Group shall take into account all relevant factors including the fair market price ranges referring to industry reports available in the market and pricing terms of goods of identical, or (if this is not available) of comparable or similar quality, specifications, quantities, required time of delivery, etc. offered by Independent Third Parties in the market at the time when the relevant individual agreement is entered into.

In particular, the Company has adopted the following specific internal control procedures and pricing policies:

(i) Before purchasing any silicon materials from Yunnan Energy New Materials Group, the relevant personnel of the business department of the Company would ensure that the transactions are on normal commercial terms and on terms no less favourable from the perspective of the Group than those offered by Independent Third Parties. The business department of the Company will (where applicable) compare the terms offered by Yunnan Energy New Materials Group with the terms offered by at least two Independent Third Parties and make an overall assessment of the terms offered, including the quality of the silicon materials, past history of dealing with such party (if any), payment terms, credit terms and silicon materials price (as the case may be), to ensure that those offered by Yunnan Energy New Materials Group is no less favourable to the Group than those offered by Independent Third Parties.

(ii) Where no silicon materials of identical types or specifications are offered by Independent Third Parties, the business department of the Company will then obtain at least two quotations from Independent Third Parties in respect of similar or comparable silicon materials and compare them with those offered by Yunnan Energy New Materials Group and determine whether on an overall evaluation of the prices to be charged, payment terms, credit terms and other terms and conditions, the terms offered by Yunnan Energy New Materials Group are no less favourable to the Group than those offered by Independent Third Parties.

(iii) the independent non-executive Directors will review the transactions under the relevant continuing connected transactions and the auditors of the Company will also conduct an annual review on the pricing terms and annual caps thereof.

HISTORICAL FIGURES

The Group's purchase of silicon materials from Yunnan Energy New Materials Group and Independent Third Parties were approximately HK$413,000 and HK$45,135,000 for the year ended 31 December 2025. The transactions with Yunnan Energy New Materials Group constituted exempt connected transactions as defined under Chapter 14A of the Listing Rules.

PROPOSED ANNUAL CAPS

The following table sets out the respective proposed annual caps of the continuing connected transactions under the Master Purchase Agreement for the two years ending 31 December 2027:

	For the year ending 31 December 2026	**For the year ending 31 December 2027**
	HK$'000	*HK$'000*
Proposed annual caps for purchase of silicon materials from Yunnan Energy New Materials Group	172,000	172,000

BASIS FOR DETERMINATION OF THE PROPOSED ANNUAL CAPS

The proposed annual caps for the transactions contemplated under the Master Purchase Agreement are determined on the basis of the following:

Regarding the projected purchase amount of the products, considering (a) the Group's estimated demand for silicon materials for the two years ending 31 December 2027, with reference to the historical figures and the quotations received from potential customers of the Group and expected market demands for the Group's silicon materials, in particular, it is estimated that the Group will require such materials of approximately HK$172.0 million and HK$172.0 million for the two years ending 31 December 2027 respectively, which is projected with reference to the period covered by the relevant proposed annual caps, depending on its business needs; (b) the expected average unit prices of silicon materials for the two years ending 31 December 2027 which are determined mainly based on the type of silicon materials on preliminary prevailing quotation from fair market price ranges referring to industry reports available in the market or third party suppliers' quotation, which is comparable to the prevailing indicative price of silicon materials with similar specifications that the Group may obtain from the Independent Third Party suppliers from time to time consider when purchasing silicon materials; (c) based on the experience of the Group, it is expected that the silicon material business will be supported by the extensive customer base and discussed with the potential customers, management and staff's rich experience and network in the international supply chain sector, which the Group has built up over 30 years of operating distribution business; (d) with the increasing global demand for green and low-carbon energy, the market prospects for silicon materials in the new energy and photovoltaic industries are broad. The Group will strengthen its long-term layout in the silicon material field, seize new opportunities for industry development, increase market share, and lay a solid foundation for future sustainable growth; (e) as of the date of this announcement, the Group has received quotations from potential customers of the Group of approximately HK$77.5 million for the period ending 30 June 2026. Beyond these secured quotations, the Group's recent strategic inquiries to prominent global players have yielded positive purchase intentions, providing further momentum for the Group's anticipated substantial sales growth in 2026; and (f) the increasing public demand for new energy and photovoltaic industries, the Group expected that the sales volume of silicon material products is expected to continue to grow in 2026 and 2027.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Master Purchase Agreement enables the Group to purchase silicon materials from Yunnan Energy New Materials Group. Such arrangement allows the Group to expand its sourcing channels for silicon materials, giving the Group access to a stable and reliable supply of silicon materials, thereby mitigating the risks associated with market volatility and supply disruptions. Furthermore, leveraging our established relationship with the Yunnan Energy New Materials Group allows us to negotiate favourable terms, thus enhancing our operational efficiency and cost-effectiveness. This, in turn, strengthens the Group's competitive position and supports our long-term growth objectives.

Based on its numerous accolades and certifications, Yunnan Energy New Materials Group demonstrates exceptional strengths in quality, reputation, and potential price competitiveness. Its commitment to high quality is confirmed by receiving the national-level "Specialized, Refined, Distinctive, and Innovative Little Giant" title, being named a "National Manufacturing Single Item Champion Demonstration Enterprise", and maintaining rigorous ISO 9001 and other management systems. Yunnan Energy New Materials Group boasts a superior reputation, evidenced by the "Yong Chang" trademark being recognized as a "China Well-known Mark", achieving "National Green Factory" status, implementing a "National-Level Smart Manufacturing Excellence Scene", and winning the prestigious Yunnan Provincial First Prize of Science and Technology Advanced Award among 12 provincial and ministerial-level technology honors, supported by 78 core technological patents. Furthermore, certifications like ISO 50001 for Energy Management and recognition as a "Yunnan Industrial Enterprise Energy Efficiency Leader" suggest highly efficient operations, which translates into lower production costs and a strong underlying advantage in price competitiveness and overall business efficacy.

There are further benefits to the Group that are expected pursuant to the continuing connected transactions contemplated under the Master Purchase Agreement, as opposed to other Independent Third Party suppliers, Yunnan Energy New Materials Group offers more flexible payment terms to the Group, including full payment following receipt of the settlement from the Group's customers, which can improve liquidity and operational flexibility for the Group. In case of delivery or performance issues, retaining payment gives the Group stronger negotiating power. Overall, this structure can help provide financial stability and support steady business development.

As the Master Purchase Agreement is being entered into in the ordinary and usual course of business of the Company and the terms have been negotiated on an arm's length basis and on normal commercial terms, with the purchase price of the products in general being based on prevailing market price of the same or substantially similar products offered by other independent third party suppliers, 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 transactions under the Master Purchase Agreement and the proposed annual caps thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION OF THE PARTIES

Yunnan Energy New Materials

Yunnan Energy New Materials is a company incorporated in the PRC with limited liability and is a wholly-owned subsidiary of Yunnan Provincial Energy. The ultimate holding company of the Yunnan Energy New Materials is Yunnan Provincial Energy Investment Group Co., Ltd, which is a state-owned enterprise established in the PRC and 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 90.00% 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 27.23% owned by 雲南省信用增進有限公司 (Yunnan Credit Promotion

Co., Ltd.*), which is in turn wholly owned by Yunnan SASAC, (iii) approximately 13.94% owned by 雲南雲投資本運營有限公司(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, (v) approximately 7.10% owned by 雲天化集團有限責任公司 (Yuntianhua Group Co., Ltd.*), which is in turn approximately 66.29% owned by Yunnan SASAC, and (vi) 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 3.98% equity interest of Yunnan Provincial Energy are owned by certain companies (each holding less than 10%).

Yunnan Energy New Materials Group is principally engaged in the production of silicon materials.

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.

BOARD APPROVAL

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

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. Yunnan Energy New Materials is a wholly-owned subsidiary of Yunnan Provincial Energy. Therefore, Yunnan Energy New Materials is an associate of Yunnan Provincial Energy and a connected person of the Company for the purpose of Chapter 14A of the Listing Rules, and accordingly the transactions contemplated under the Master Purchase Agreement constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the proposed annual caps of the Master Purchase Agreement exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, circular (including independent financial advice), Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

In accordance with the Listing Rules, any connected person of the Company and any Shareholder with a material interest in the Master Purchase Agreement and the transactions contemplated thereunder and its close associate(s) must abstain from voting on the relevant resolution(s) at the SGM. As at the date of this announcement, Yunnan Provincial Energy and its associate, namely Yunnan Energy Investment (HK) Co. Limited, 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 the aforesaid, the Directors are not aware of any other Shareholders who are required to abstain from voting on the resolution(s) in respect of the Master Purchase Agreement and the transactions contemplated thereunder to be put forward at the SGM.

An Independent Board Committee has been established to advise the Independent Shareholders on the terms of and the proposed annual caps of the Master Purchase Agreement and the transactions contemplated thereunder. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

The Company will convene the SGM for the purpose of allowing the Independent Shareholders to consider, and if thought fit, to approve the Master Purchase Agreement and the transactions contemplated thereunder. A circular containing, among other things, further details of the Master Purchase Agreement and the transactions contemplated thereunder, letters from Independent Board Committee and the Independent Financial Adviser, a notice convening the SGM and other information as required under the Listing Rules, 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 27 February 2026.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings when used herein:

"associate(s)"	has the meaning ascribed to it under the Listing Rules;
"Board"	the board of Directors;
"CDP"	The Central Depository (Pte) Limited;
"close associate(s)"	has the meaning ascribed to it under the Listing Rules;

"Company"	Yunnan Energy International Co. Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are primarily listed on the Main Board of the SEHK and secondarily listed on the Main Board of the SGX-ST;
"Commencement Date"	the date on which the conditions precedent for the Master Purchase Agreement is satisfied;
"connected person(s)"	has the meaning ascribed to it under the Listing Rules;
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules;
"Director(s)"	the director(s) of the Company;
"Group"	the Company and its Subsidiaries;
"Hong Kong"	Hong Kong Special Administrative Region of the PRC;
"Independent Board Committee"	an independent committee of the Board comprising all independent non-executive Directors established for the purpose of considering the Master Purchase Agreement and the transactions contemplated thereunder;
"Independent Financial Adviser"	WRise Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial advisor appointed by the Board to advise the Independent Board Committee and the Independent Shareholders in respect of the Master Purchase Agreement and the transactions contemplated thereunder;
"Independent Shareholder(s)"	the Shareholders other than Yunnan Provincial Energy and its associates;
"Independent Third Party(ies)"	A person(s) or company(ies) which is/are independent of and not connected with any directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its Subsidiaries and their respective associates;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;

"Master Purchase Agreement"	the Master Purchase Agreement dated 14 January 2026 entered into between Yunnan Energy New Materials and the Company;
"PRC"	the People's Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, for the purpose of this announcement;
"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 and held to consider and, if thought fit, approve, among other things, the Master Purchase Agreement and the transactions contemplated thereunder;
"Share(s)"	the ordinary share(s) of par value 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;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"subsidiary/subsidiaries"	any entity within the meaning of the term "subsidiary" as defined in the Listing Rules and the term "subsidiaries" shall be construed accordingly;
"Yunnan Energy New Materials"	雲南能投綠色新材有限責任公司 (Yunnan Energy Green New Materials Co., Ltd.*), a company incorporated in the PRC with limited liability and is a wholly-owned subsidiary of Yunnan Provincial Energy;
"Yunnan Energy New Materials Group"	Yunnan Energy New Materials, its subsidiary(ies) and any entity(ies) that may become subsidiary(ies) of Yunnan Energy New Materials from time to time, and for the purpose of this announcement excludes the Group (unless otherwise specified);

"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; and
"%"	per cent.

By Order of the Board
Yunnan Energy International Co. Limited
ZHU Yingxue
Director

Hong Kong, 14 January 2026

The English translation of Chinese names or words in this announcement, where indicated by "", are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

As of the date of this announcement, the Board comprises Ms. ZHU Yingxue, Mr. SONG Henan, Mr. YANG Jie and Mr. WANG Jin 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*