YEIG
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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025 AND PROPOSED AMENDMENTS TO THE BYE-LAWS

The board (the "**Board**") of directors (the "**Directors**") of Yunnan Energy International Co. Limited (the "**Company**") is pleased to announce the audited consolidated final results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2025 together with the comparative figures for the year ended 31 December 2024 as follows:

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	2025 HK$'000	2024 HK$'000
Revenue	4	**392,673**	576,615
Cost of sales		**(368,102)**	(546,720)
Gross profit		**24,571**	29,895
Other income and gains and losses, net	5	**1,819**	(5,922)
Selling and distribution expenses		**(7,894)**	(4,201)
Administrative expenses		**(12,688)**	(12,988)
Reversal of impairment losses/ (impairment losses) of financial assets, net		**391**	(406)
Finance costs	6	**(3,578)**	(3,133)
PROFIT BEFORE TAX	7	**2,621**	3,245
Income tax	8	**(3,519)**	(2,754)
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		**(898)**	491
OTHER COMPREHENSIVE INCOME/(LOSS)			
Item that will not be reclassified to profit or loss:			
Fair value changes of equity investments designated at fair value through other comprehensive income		**2,161**	852
Item that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**3,006**	(2,555)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**5,167**	(1,703)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		**4,269**	(1,212)
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY OWNERS OF THE PARENT			
Basic and diluted	10	**(HK0.33 cents)**	HK0.18 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 HK$'000	2024 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**70**	105
Equity investment designated at fair value through other comprehensive income		**54,390**	40,877
Total non-current assets		**54,460**	40,982
CURRENT ASSETS			
Inventories		**40,661**	72,401
Trade receivables	*12*	**205,681**	141,709
Prepayments, deposits and other receivables	*13*	**92,076**	93,569
Cash and bank balances		**57,557**	66,063
Total current assets		**395,975**	373,742
CURRENT LIABILITIES			
Trade payables	*14*	**104,100**	55,549
Other payables and accruals		**31,616**	38,795
Loan from a fellow subsidiary		**60,291**	153,752
Bank borrowings		**71,965**	–
Tax payable		**2,313**	2,511
Total current liabilities		**270,285**	250,607
NET CURRENT ASSETS		**125,690**	123,135
TOTAL ASSETS LESS CURRENT LIABILITIES		**180,150**	164,117
NON-CURRENT LIABILITY			
Loan from the immediate holding company		**11,764**	–
Total non-current liability		**11,764**	–
NET ASSETS		**168,386**	164,117
EQUITY			
Issued capital		**107,420**	107,420
Reserves		**60,966**	56,697
TOTAL EQUITY		**168,386**	164,117

NOTES:

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

Principal activities

Yunnan Energy International Co. Limited (the "**Company**") is incorporated in Bermuda as an exempted company with limited liability. The Company's shares have a primary listing on the Main Board of The Stock Exchange of Hong Kong Limited ("**SEHK**") and a secondary listing on the Main Board of Singapore Exchange Securities Trading Limited ("**SGX-ST**").

During the year ended 31 December 2025, the Group was involved in the following principal activities:

- Distribution of branded analytical and laboratory instruments and life science equipment (the "**Distribution Business**")

- Trading and supply chain business on commodities, diversified industrial and consumer products (the "**Supply Chain Business**")

The immediate holding company of the Company changed during the year. With effect from 29 December 2025, Yunnan Energy Investment (HK) Co. Limited, incorporated in Hong Kong with limited liability, became the immediate holding company of the Company by acquiring 73.05% of the issued share capital from its wholly-owned subsidiary, Baodi International Investment Company Limited. In the opinion of the directors, the ultimate holding company of the Company is Yunnan Provincial Energy Investment Group Co., Ltd., which is a state-owned enterprise established in the People's Republic of China (the "**PRC**") and wholly owned by The State-owned Assets Supervision and Administration Commission of the Yunnan Provincial People's Government of the PRC.

Basis of preparation of this announcement

This announcement has been prepared in accordance with the applicable disclosure requirements of Appendix D2 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board. They have been prepared under the historical cost convention, except for equity investment at fair value through other comprehensive income, which has been measured at fair value. This announcement is presented in Hong Kong dollar (HK$) and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

2. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised IFRS Accounting Standards that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. IFRS Accounting Standards comprise International Financial Reporting Standards ("**IFRS**"); International Accounting Standards ("**IAS**"); and Interpretations. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years except as stated below.

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRS Accounting Standards but is not yet in a position to state whether these new and revised IFRS Accounting Standards would have a material impact on its results of operations and financial position.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the nature of their products and services and has two reportable operating segments as follows:

(a) the Distribution Business segment which is engaged in the provision of distribution and after-sales services for different analytical instruments, life science and general laboratory instruments; and

(b) the Supply Chain Business segment which is engaged in the trading of commodities, diversified industrial and consumer products.

The chief operating decision maker of the Group ("**CODM**", identified as the executive directors of the Company and certain senior management) monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, dividend income, finance costs, depreciation, as well as head office and corporate administrative expenses are excluded from such measurement.

Segment revenue and results

	Distribution Business		Supply Chain Business		Total	
	2025	2024	**2025**	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue	**52,045**	52,085	**340,628**	524,530	**392,673**	576,615
Segment results	**(1,154)**	(1,174)	**11,786**	12,358	**10,632**	11,184
Interest income					**72**	629
Dividend income					**650**	–
Finance costs					**(3,578)**	(3,133)
Depreciation					**(55)**	(53)
Corporate administrative expenses					**(5,100)**	(5,382)
Profit before tax					**2,621**	3,245

Geographical information

	2025	2024
	HK$'000	*HK$'000*
Revenue from external customers:		
PRC (including Hong Kong and Macau)	**253,557**	367,196
Asia (other than the PRC)	**92,377**	175,514
Europe	**46,739**	33,905
	392,673	576,615

The above revenue information is based on the locations of the customers.

No geographical information about the Group's non-current assets is presented as 100% of the Group's non-current assets as at 31 December 2025 and 2024 were located in the PRC (including Hong Kong and Macau).

Information about major customers

The revenue generated from sales to each of the customers which individually contributed more than 10% of the Group's total revenue during the year is set out below:

	2025	2024
	HK$'000	*HK$'000*
Customer A from the Supply Chain Business segment	**103,948**	N/A*
Customer B from the Supply Chain Business segment	**81,717**	N/A*
Customer C from the Supply Chain Business segment	**46,585**	N/A*
Customer D from the Supply Chain Business segment	**N/A***	103,912
Customer E from the Supply Chain Business segment	**N/A***	92,598
Customer F from the Supply Chain Business segment	**N/A***	59,229
Customer G from the Supply Chain Business segment	**N/A***	60,891

* The corresponding revenue of these customers is not disclosed as they individually did not contribute 10% or more of the Group's total revenue for the relevant years.

4. REVENUE

The Group's revenue for each of the years ended 31 December 2025 and 2024 was derived from sales of goods, which represented revenue from contracts with customers.

Disaggregated revenue information

Year ended 31 December 2025

	Distribution Business	**Supply Chain Business**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Types of goods or services and timing of revenue recognition			
Sale of goods, recognised at the point in time	**52,045**	**340,628**	**392,673**
Geographical markets			
PRC (including Hong Kong and Macau)	**52,045**	**201,512**	**253,557**
Asia (other than the PRC)	**–**	**92,377**	**92,377**
Europe	**–**	**46,739**	**46,739**
Total revenue from contracts with customers	**52,045**	**340,628**	**392,673**

Year ended 31 December 2024

	Distribution Business *HK$'000*	Supply Chain Business *HK$'000*	Total *HK$'000*
Types of goods or services and timing of revenue recognition			
Sale of goods, recognised at the point in time	52,085	524,530	576,615
Geographical markets			
PRC (including Hong Kong and Macau)	52,085	315,111	367,196
Asia (other than the PRC)	–	175,514	175,514
Europe	–	33,905	33,905
Total revenue from contracts with customers	52,085	524,530	576,615

5. OTHER INCOME AND GAINS AND LOSSES, NET

An analysis of the Group's other income and gains and losses, net is as follows:

	2025 ***HK$'000***	2024 *HK$'000*
Other income		
Bank interest income	**72**	629
Compensation income for breach of contract	**1,623**	–
Dividend income from equity investment designated at fair value through other comprehensive income (net of withholding tax)	**650**	–
Government subsidies	**80**	711
Others	**31**	91
	2,456	1,431
Gains and losses, net		
Foreign exchange (loss)/gain, net	**(567)**	550
Impairment losses of inventories	**–**	(4,291)
Fair value losses of derivative financial instruments, net	**–**	(949)
Fair value losses of other receivables under factoring agreement	**(70)**	(2,663)
	(637)	(7,353)
	1,819	(5,922)

6. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	2025	2024
	HK$'000	*HK$'000*
Interest expenses on bank borrowings	**1,012**	–
Interest expenses on loan from the immediate holding company	**301**	525
Interest expenses on loan from a fellow subsidiary	**2,265**	2,608
	3,578	3,133

7. PROFIT BEFORE TAX

The Group's profit before tax for the year is stated after charging/(crediting) the following:

	2025	2024
	HK$'000	*HK$'000*
Cost of inventories sold	**368,102**	546,720
Depreciation of property, plant and equipment	**55**	53
(Reversal of impairment losses)/impairment losses of financial assets, net:		
Trade receivables	**(390)**	412
Other receivables	**(1)**	(6)
	(391)	406

8. INCOME TAX

An analysis of the Group's income tax expense is as follows:

	2025	2024
	HK$'000	*HK$'000*
PRC Corporate Income Tax		
Charge for the year	**2,553**	2,754
Under-provision in previous periods	**966**	–
	3,519	2,754

The income tax expense of the Group is calculated at the respective statutory tax rates prevailing in the relevant jurisdictions of operations.

No provision for Hong Kong profit tax and Macau income tax was made as the Group did not have any assessment profits arising from Hong Kong and Macau for both years.

Under the Law on Corporate Income Tax of the PRC (the "**PRC Corporate Income Tax Law**") and the Implementation Regulation of the PRC Corporate Income Tax Law, the income tax rate applicable to subsidiaries established in the PRC is 25% (2024: 25%).

9. DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY OWNERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amount is based on the loss for the year attributable to ordinary equity owners of the parent of HK$898,000 (2024: profit for the year attributable to ordinary equity owners of the parent of HK$491,000), and the weighted average number of ordinary shares of 275,437,000 (2024: 275,437,000) in issue during the year.

No adjustment has been made to the basic (loss)/earnings per share amount presented for each of the years ended 31 December 2025 and 2024 for a dilution as the Group had no potential ordinary shares in issue during these years.

11. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the year, the Group incurred HK$18,000 (2024: HK$33,000) for the acquisition of property, plant and equipment. No disposal of property, plant and equipment was incurred during the year.

12. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the year, based on the invoice date and net of loss allowance, is as follows:

	2025	2024
	HK$'000	*HK$'000*
0 to 90 days	**92,378**	97,046
91 to 120 days	**55,047**	31,850
121 to 365 days	**50,055**	9,743
Over 365 days	**8,201**	3,070
	205,681	141,709

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Prepayments	**47,591**	64,530
Deposits and other receivables	**16,611**	1,029
Value-added tax recoverable	**22,352**	17,835
Other receivables under factoring agreement	**6,129**	10,751
Due from a fellow subsidiary	**–**	16
	92,683	94,161
Impairment allowance	**(607)**	(592)
	92,076	93,569

14. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the year, based on the invoice date, is as follows:

	2025	2024
	HK$'000	*HK$'000*
0 to 60 days	**68,444**	17,918
61 to 180 days	**2,227**	18,779
Over 180 days	**33,429**	18,852
	104,100	55,549

15. EVENT AFTER THE REPORTING PERIOD

The Company entered into a master purchase agreement dated 14 January 2026 with Yunnan Energy Green New Materials Co., Ltd* (雲南能投綠色新材有限責任公司) to purchase silicon materials (organic silicon/industrial silicon) from Yunnan Energy New Materials Group (as defined in the circular of the Company dated 12 February 2026 (the "**Circular**")). The annual caps of the continuing connected transactions under the Master Purchase Agreement are approximately HK$172.0 million and HK$172.0 million for the two years ending 31 December 2027 respectively. The resolution was duly passed by the shareholders by way of poll at the special general meeting of the Company on 27 February 2026.

For further details, please refer to the announcements of the Company dated on 14 January 2026, 12 February 2026 and 27 February 2026, and the Circular.

Save for those abovementioned disclosed, there was no significant event affecting the Group which occurred after the end of 31 December 2025 and up to the date of this announcement.

BUSINESS REVIEW

For the year ended 31 December 2025 ("**FY2025**"), the principal activities of Yunnan Energy International Co. Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") are: (1) the provision of distribution and after-sales services in the PRC for different analytical instruments, including medical computed tomography equipment, magnetic resonance imaging systems, fully automated microbial mass spectrometers, digital choledochoscope, color ultrasound machines, radio frequency therapeutic devices, anesthesia machines, life monitors, life science and general laboratory instruments, with specialised and customised hardware and software, to provide solutions and facilitate scientific analysis and testing (the "**Distribution Business**"); and (2) the trading and supply chain business on commodities, diversified industrial and consumer products (the "**Supply Chain Business**").

Distribution Business

The distribution business primarily operates by identifying the needs of the Group's existing and potential customers (including product specifications, affordability levels, etc.), sourcing products from multiple suppliers, and supplying products to customers. The Group also provides after-sales services for the sold products, such as testing, training, and maintenance. The business model of the distribution business remained unchanged during the year.

The customers of the distribution business mainly consisted of various companies and institutions, including hospitals, universities, research institutes, industrial enterprises, and government agencies. During the year, all customers were either users or distributors in China.

The Group continued to leverage its extensive customer base in China and its vast sales network connected to its offices in Beijing, Shanghai, Southwest China, and Macau, and discussed product specifications and after-sales service with existing and potential clients. In FY2025, the Group continued to capitalize on the national policy of subsidizing the replacement of old equipment with new equipment in tertiary hospitals in Yunnan and Guizhou provinces. It established stable business relationships with numerous tertiary hospitals in Yunnan and Guizhou, as well as state-owned medical enterprises and reputable medical device distributors. The Group won bids and conducted multiple medical device procurement and distribution transactions, and signed sales contracts with independent third parties, including for color Doppler ultrasound diagnostic systems, immunoassay analyzers, rehabilitation equipment, X-ray systems, blood typing analyzers, surgical laboratory equipment, and fully automated microbial mass spectrometry detection systems. In FY2025, the Company's distribution business achieved a breakthrough, directly participating in hospital public bidding procurement projects, with a total secured bid amount of approximately RMB10 million. In 2025, the total value of newly signed distribution sales contracts for the Company's distribution business was RMB38 million.

Supply Chain Business

In FY2025, focusing on core product categories such as photovoltaics, coal, new materials, and agricultural products, a "demand forecasting-resource locking-flexible supply" mechanism has been established to ensure the energy needs of key power plants and industrial enterprises within the Yunnan province. This has facilitated a breakthrough in new material products, the business has thereby expanded its revenue streams and increased potential profitability. The supply chain business primarily involves identifying the requirements of the Group's existing and potential customers (including product specifications and affordability levels), after which the Group will procure products from multiple suppliers and supply them to customers.

The supply chain business's customers mainly consist of state-owned companies and industrial companies, including manufacturers and processing enterprises engaged in coal, large international new materials, photovoltaic modules, and stainless steel, as well as enterprises engaged in panax notoginseng cultivation in Yunnan and large pharmaceutical companies.

Leveraging its extensive customer base built over 30 years of operating distribution businesses, the rich experience and network of its management and staff in the international supply chain sector, and the support of its controlling shareholder, Yunnan Energy Group, the Group identifies diverse potential clients for its supply chain business. Furthermore, the Group participates in tenders or invitations to bid from existing and potential clients in the government and non-governmental sectors, and publicly solicits tenders for the provision of supply chain services.

FINANCIAL REVIEW

Consolidated Statement of Profit or Loss and other Comprehensive Income

The key value for the Distribution Business lies in the provision of technical services to the Group's customers, including design of system specifications, formulation of testing standard requirements against customers' budgets, installation of equipment and relevant systems, on-site after-sale services, etc. In FY2025, for the Distribution Business, both the sales and after-sales activities are at roughly the same level as in 2024. The revenue from the Distribution Business in FY2025 decreased by 0.2% or HK$0.1 million to HK$52.0 million from HK$52.1 million in FY2024.

Due to the decrease in demand for certain agricultural commodities including panax notoginseng and the Group's tightened risk assessment measures, which resulted in a reduction in the business scale for certain commodities, including electrolytic copper, the Supply Chain Business's financial performance deteriorated and its revenue in FY2025 decreased by HK$183.9 million or 35.1% to HK$340.6 million from HK$524.5 million in FY2024.

In FY2025, the Group recorded a net loss, as compared to a net profit in FY2024, which was mainly due to (i) the decrease in the revenue and gross profit of the Supply Chain Business as explained above; (ii) the increase in selling and distribution expenses of the Supply Chain Business and (iii) the increase in income tax of the Supply Chain Business.

Revenue

Revenue in FY2025 decreased by HK$183.9 million or 31.9% to HK$392.7 million from HK$576.6 million in FY2024, mainly attributable to the decrease in the revenue and gross profit of the Supply Chain Business mainly caused by the decrease in demand for certain agricultural commodities including panax notoginseng and the Group's tightened risk assessment measures, which resulted in a reduction in the business scale for certain commodities, including electrolytic copper.

Cost of sales

Cost of sales in FY2025 decreased by 32.7% to HK$368.1 million from HK$546.7 million in FY2024. The decrease was in line with the revenue decline.

Gross profit and gross profit margin

The gross profit in FY2025 decreased by 17.7% to HK$24.6 million from HK$29.9 million in FY2024. The gross profit margin in FY2025 was 6.3%, representing an increase of 1.1 percent points compared to 5.2% in FY2024.

The gross profit margin increased mainly due to the increased revenue contribution from the Supply Chain Business which has a higher gross profit margin in FY2025.

Other income and gains and losses, net

Other income and gains and losses, net in FY2025 was a net gain of HK$1.8 million compared to the net loss of HK$5.9 million in FY2024. The change was mainly due to the decrease in impairment losses on inventories and fair value losses from other receivables under factoring agreement, partly offset by the receipt of compensation income for breach of contract by a counterparty and the receipt of dividend income from its equity investment in YEIG Dayao Green Energy Generation Co., Ltd. ("**Dayao Green Energy**").

Selling and distribution expenses

Selling and distribution expenses in FY2025 increased by 88.1% to HK$7.9 million from HK$4.2 million in FY2024, mainly attributable to the increase in freight as a result of increased sales activities of coal in the PRC markets of the Supply Chain Business.

Administrative expenses

Administrative expenses in FY2025 decreased by 2.3% to HK$12.7 million from HK$13.0 million in FY2024, mainly due to the further decrease in legal and professional fee.

Reversal of impairment losses/(impairment losses) of financial assets, net

Reversal of impairment losses of financial assets, net in FY2025 was HK$0.4 million due to the receipt of the outstanding balance of certain trade receivables that have been impaired in the prior years.

Finance costs

Finance costs in FY2025 increased by 16.1% to HK$3.6 million from HK$3.1 million in FY2024, mainly due to a higher average loan interest rate applicable to the Group's borrowings in FY2025.

(Loss)/profit for the year

In view of the above, the Group's net loss for FY2025 was HK$0.9 million, as compared to a net gain of HK$0.5 million in FY2024.

Consolidated Statement of Financial Position

Inventories

Inventories decreased by HK$31.7 million from HK$72.4 million as at 31 December 2024 to HK$40.7 million as at 31 December 2025, mainly due to the decrease in inventories of panax notoginseng resulting from the contracted coverages under the Supply Chain Business. The Group maintains a certain level of inventories to support its customers needs in both Distribution Business and Supply Chain Business.

Trade receivables

Trade receivables increased by HK$64.0 million from HK$141.7 million as at 31 December 2024 to HK$205.7 million as at 31 December 2025, mainly due to the increase in trade receivables of the Supply Chain Business which are less than 365 days as a result of certain supply chain businesses having longer trade receivable turnover periods.

Trade payables

Trade payables increased by HK$48.6 million from HK$55.5 million as at 31 December 2024 to HK$104.1 million as at 31 December 2025, mainly due to the increase in trade payables of the Supply Chain Business which are less than 60 days as a result of the increase in procurement of Supply Chain Business.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company adopted an investment strategy with the aim of enhancing long-term capital growth for the significant investment of green energy projects in Yunnan Province, the PRC. Looking ahead, the prospects of 6.67% equity interest of Dayao Green Energy may be subject to various factors, including the overall industry market conditions and changes to the regulatory environment.

Review of performance for the year ended 31 December 2025

During the year ended 31 December 2025, the Group made an additional investment at the cost of RMB10,483,300 (equivalent to HK$11,352,000) in Dayao Green Energy, with an aggregated investment cost of HK$52,229,000. Dayao Green Energy has commenced operations on its new 300MW/600MWh energy storage project. The project's revenue streams primarily consist of capacity leasing services and electricity sales from energy storage. During the year ended 31 December 2025, the revenue and net profit of Dayao Green Energy were RMB218,013,000 and RMB57,798,000, respectively. In respect of such investment in Dayao Green Energy, an unrealised fair value gain of HK$2,161,000) was recognised during the year ended 31 December 2025. As at 31 December 2025, the fair value of the investment in Dayao Green Energy was HK$54,390,000, accounting for 12.1% of the Group's total assets. RMB659,000 (equivalent to HK$715,000) of dividend was declared from Dayao Green Energy during the year ended 31 December 2025 (2024: Nil) and subsequently received by the Group.

Save for those disclosed in this announcement, there were no significant investments held by the Group as at 31 December 2025, nor were there other material acquisitions and disposals of subsidiaries, associates and joint ventures by the Group during the year ended 31 December 2025. Apart from those disclosed in this announcement, there was no other plan authorised by the Board for other material investments or additions of capital assets at the date of this announcement.

PLEDGE OF ASSETS

The Group did not have any charges on its assets as at 31 December 2025.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

The Group did not have any material contingent liabilities or capital commitment as at 31 December 2025.

EXPOSURE TO FLUCTUATIONS ON EXCHANGE RATES

The Group's transactions are mainly denominated in United States dollars, Hong Kong dollars and Renminbi. Therefore, the Group is exposed to foreign currency exchange risk. The Group has not implemented any foreign currency hedging policy at the moment. However, continuous monitoring on the foreign exchange exposure is carried out by the management and the management will consider hedging against significant foreign exchange exposure should the need arise.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2025, the Group's net current assets amounted to HK$125.7 million (2024: HK$123.1 million), of which the bank balances and cash were HK$57.6 million (2024: HK$66.1 million), which were entirely denominated in United States dollars, Hong Kong dollars and Renminbi. The Group's current ratio was 1.5 (2024: 1.5).

Bank borrowings, loans from the immediate holding company and a fellow subsidiary as at 31 December 2025 were HK$72.0 million, HK$11.8 million and HK$60.3 million respectively (2024: loan from a fellow subsidiary of HK$153.8 million), all of which were denominated in Renminbi. As at 31 December 2025, the Group's borrowings were HK$144.1 million, with fixed interest rate ranging from 2.76% to 3.29% per annum, among which, HK$132.3 million of borrowings are repayable within one year or on demand. The Group's gearing ratio stood at 85.6% as at 31 December 2025 (2024: 93.7%), which is calculated based on the Group's total interest-bearing debts over the total equity. The Group adopts centralised financing and treasury policies in order to ensure that group financing is managed efficiently. The Group also regularly monitors its liquidity requirements, its compliance with lending covenants and its relationship with bankers to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short term and long term.

PROSPECTS

The Group will continue to focus on both its distribution and supply chain businesses to expand its business scale and customer base, thereby increasing revenue and profit contributions from these businesses and generating returns for shareholders. To this end, the Group has formulated detailed business plans for the upcoming financial year, as detailed below:

Distribution Business

In addition to its existing customer base in China, the Group plans to leverage the mature resources and extensive marketing network/business relationships of Yunnan Energy Group to expand its distribution business across China, particularly in Southwest China. The following is a summary of the key business plans:

- Expand external customer channels through multiple channels, striving to increase new sales contracts signed in 2026 compared to the same period last year. In the early stages of its medical-related business, the Group has accumulated relationships with several well-known brands, both internationally and domestically renowned. Furthermore, the Group possesses reputable and qualified suppliers and distributors within Yunnan Province. In 2026, after assessing payment risks, the Group will actively participate in public bidding projects for medical equipment in high-quality large-scale tertiary hospitals in the three southwestern provinces, continuously expanding new project cooperation opportunities through direct hospital trade, thereby improving the sales performance and profitability of its distribution business.

- Conduct regular assessments of customer and supplier performance risks, monitor contract acceptance and payment progress, prevent contract default risks, and reduce capital occupation. Strengthen the management of "two funds" (accounts receivable and inventory), assign specific collection personnel to overdue accounts, and adopt a tiered collection strategy (telephone reminders, letters, legal means, etc.).

- The Group is actively expanding its potential customer base in Southwest China, providing a wide range of products and services based on customers' procurement plans to meet the needs of potential customers in different industries and to expand its distribution and trade markets in multiple ways.

Supply Chain Business

The Group regularly reviews its operations and adjusts its sales strategies to explore new potential projects, increase revenue streams, and improve profitability. Therefore, the Group has been actively developing its supply chain business in both domestic and international markets. Leveraging the extensive experience of its management team (particularly in international trade and energy projects) and its business network, the Company is committed to capturing potential opportunities in the supply chain business. The following is a summary of the main business plans:

- In 2026, the Company's trading business will prioritize "quality and quantity"– strengthening collaboration, stabilizing scale, controlling risks, and increasing profitability. Driven by coal, new materials, and energy project procurement as our core engines, we aim to optimize our profit structure and achieve long-term corporate goals while strictly adhering to risk management bottom lines. We will strive to secure long-term supply agreements with strategic partners for coal and new material products to realize sustained, high-volume trade. In international trade, the new materials business has already quoted prices to customers in multiple countries and regions worldwide, and has successfully completed trial exports to India, Belgium, South Korea, United Kingdom, and Brazil, aiming to expand to more countries. Simultaneously, the Company will actively collaborate with 12 overseas business representative offices in Yunnan Province, deeply cultivating the "Belt and Road" initiative and clearing bottlenecks in the cross-border energy supply chain. Capitalizing on Regional Comprehensive Economic Partnership opportunities, the Company will establish nodes in Southeast Asian countries such as Laos, Vietnam, and Singapore, building a complete chain channel of "domestic centralized procurement – cross-border transportation – overseas distribution."

- As set out in the circular ("**Circular**") of the Company dated 12 February 2026, the Company entered into a master purchase agreement dated 14 January 2026 with Yunnan Energy Green New Materials Co., Ltd* (雲南能投綠色新材有限責任公司) to purchase silicon materials (organic silicon/industrial silicon) from Yunnan Energy New Materials Group (as defined in the Circular). 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. For further details, please refer to the Circular.

The Group's supply chain business is currently managed by an experienced 11-person management team, led by Mr. Ma Can, a graduate of Yunnan University with a Master of Business Administration degree. He is qualified as a customs broker and customs inspector. He has worked for several years in foreign trade and economic cooperation enterprises in Southeast Asian countries such as Cambodia and Laos, as well as Yunnan Province. He possesses over 20 years of extensive international and trade experience and overseas work background, specializing in the import and export trade of coke, coal, machinery and equipment, fertilizers, pesticides, and pharmaceuticals. Other management team members have an average of 7 years of experience in the international supply chain industry, forming a composite team with complementary expertise and a strong work ethic, bringing together key personnel in international trade, supply chain management, financing, and risk control. Leveraging Yunnan Energy Group's business network in overseas markets, the Group plans to establish a team to further develop its international supply chain business, including but not limited to medical devices and energy. Under Mr. Ma's management, the Group has assembled an experienced management team with efficient customs clearance advantages and a broad range of trade categories, winning new bidding projects and accelerating the promotion of potential coal, panax notoginseng, rubber, photovoltaic modules, and other trade businesses. The Group will continue to expand its business team over the next 12 months to keep pace with growing business activities and market demand.

International Energy Project Investment

While consolidating its existing distribution and supply chain businesses, the Group continues to advance its strategic layout in energy investment, focusing on development opportunities in the green energy sector and actively exploring investment opportunities in energy projects within Yunnan Province and overseas, in order to gradually enhance the strategic position of the energy business in the Group's business structure.

In recent years, the global energy structure has accelerated its transition to green and low-carbon energy, leading to a sustained increase in demand for clean energy in Southeast Asia. Leveraging the resource advantages of its controlling shareholder, Yunnan Energy Group, in the energy sector, and its long-established cooperative network in Southwest China and Southeast Asia, the Group is actively advancing preliminary research and negotiations for relevant energy projects. In 2024, the Group invested in the Dayao Green Energy Project in Yunnan Province, accumulating valuable experience in project investment and operation management. Based on this experience, in 2025, the Group continued to deepen its research and project pipeline work in the Southeast Asian energy market, focusing on development opportunities in new energy projects in countries such as Laos, and maintaining communication with local government departments and potential partners to actively advance project feasibility studies and related preliminary preparations.

At the same time, the Group is also actively exploring the synergies between supply chain business and energy project development to gradually participate in the regional energy infrastructure-related industrial chain, so as to further enhance the Group's participation in the regional energy industrial chain.

Looking ahead, the Group will continue to leverage Yunnan Energy Group's overseas network resources, energy industry experience, and brand advantages to steadily advance the research and development of green energy projects in Southeast Asia, based on a prudent assessment of investment risks and market conditions. Through continuous accumulation of project experience, expansion of cooperation networks, and optimization of resource allocation, the Group is committed to promoting the steady development of its energy business and creating long-term and sustainable value for its shareholders.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 December 2025, there were 22 (2024: 25) employees in the Group. The total staff cost of the Group amounted to HK$6.0 million for FY2025. Staff remuneration packages are determined after considering the market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical and life insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and contributions to the Group.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025.

ANNUAL GENERAL MEETING

It is proposed that the 2026 annual general meeting of the Company (the "**AGM**") will be held on a date to be fixed by the Board. Notice of convening the AGM will be published and despatched to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS IN RESPECT OF SHAREHOLDERS, ENTITLEMENT TO ATTEND THE AGM

The Company will make a separate announcement to confirm the dates for the closure of register of members of the Company in respect of shareholders' entitlement to attend the AGM.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During FY2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities. As at 31 December 2025, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The audit committee of the Board (the "**Audit Committee**"), comprising three independent non-executive Directors, namely Mr. Shi Fazhen, Mr. Liu Zongliu and Ms. Jing Pilin, has reviewed the annual results and the consolidated financial statements of the Group for FY2025, including the review of the accounting principles and practices adopted by the Group, and has also discussed the auditing, internal control and financial reporting matters. The Audit Committee has no disagreement with the accounting principles, treatments and practices adopted by the Group.

CORPORATE GOVERNANCE PRACTICE

The Company recognises the importance of good corporate governance and accountability to shareholders. The Board believes that the Company and all its stakeholders can benefit from such practice and management culture. Therefore, the Company continuously reviews its corporate governance practice to comply, where applicable, with the principles and guidelines of the Corporate Governance Code (the "**Hong Kong Code**") contained in Appendix C1 of the Rules Governing the Listing of Securities on the SEHK (the "**Listing Rules**").

In the opinion of the Board, the Company has complied with the applicable code provisions of the Hong Kong Code throughout FY2025.

Further information of the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for FY2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuer" (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors.

Having made specific enquiries with all Directors, the Company confirmed that all members of the Board complied with the Model Code during FY2025.

Senior management, executives and staff who, because of their offices in the Company are likely to possess inside information, have also been requested to comply with the Model Code for securities transactions. No incident of non-compliance with the Model Code by such employees was noted by the Company during FY2025.

SCOPE OF WORK OF THE COMPANY'S AUDITOR IN RESPECT OF THE PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for FY2025 as set out in this announcement have been agreed by the Company's auditor to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on this announcement.

PUBLICATION OF 2025 ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the SEHK, the SGX-ST and the Company.

The annual report of the Company for FY2025 containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the websites of the SEHK, SGX-ST and the Company in due course.

PROPOSED AMENDMENTS TO THE BYE-LAWS

The Board is pleased to propose to make certain amendments to the Bye-laws of the Company (the "**Bye-laws**") for the purpose of, among others, (i) bringing the Bye-laws in line with the Core Shareholder Protection Standards set out in Appendix A1 of the Listing Rules which require, among others, the holding of general meetings which shareholders can attend virtually with the use of technology and cast votes by electronic means, and (ii) making other house-keeping amendments to clarify, update and/or modify certain provisions of the Bye-laws in accordance with, or to better align with the applicable laws (collectively, the "**Proposed Bye-laws Amendments**").

The Proposed Bye-laws Amendments are subject to the approval of the shareholders of the Company (the "**Shareholders**") by way of a special resolution at the forthcoming AGM. A circular of the Company containing, among others, further details on the aforesaid subject matters, together with a notice of the AGM, will be despatched to the Shareholders (if necessary) in accordance with the requirements of the Listing Rules in due course.

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

Hong Kong, 25 March 2026

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 Zong liu and Ms. JING Pilin as the independent non-executive Directors.