



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)

2026

Interim Report

** for identification purpose only*

CONTENTS

	Page
Corporate Information	2
Management Discussion and Analysis	3
Other Information and Corporate Governance Highlights	17
Financial Statements	
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	21
Unaudited Condensed Consolidated Statement of Financial Position	23
Unaudited Condensed Consolidated Statement of Changes in Equity	24
Unaudited Condensed Consolidated Statement of Cash Flows	26
Notes to the Unaudited Condensed Consolidated Financial Statements	27

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

ZHU Yingxue (*Chairman*)
SONG Henan (*Chief Executive Officer*)
YANG Jie
WANG Jin

Independent Non-executive Directors

SHI Fazhen
LIU Zongliu
JING Pilin

AUDIT COMMITTEE

SHI Fazhen (*Chairman*)
LIU Zongliu
JING Pilin

NOMINATION COMMITTEE

ZHU Yingxue (*Chairman*)
SONG Henan
SHI Fazhen
LIU Zongliu
JING Pilin

REMUNERATION COMMITTEE

SHI Fazhen (*Chairman*)
ZHU Yingxue
SONG Henan
LIU Zongliu
JING Pilin

COMPANY SECRETARY

NG King Hang

BERMUDA RESIDENT REPRESENTATIVE AND ASSISTANT SECRETARY

Ocorian Services (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10 Bermuda
Bermuda Company Registration
Number 34778

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2010, 20/F
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

SINGAPORE SHARE TRANSFER AGENT

Tricor Barbinder Share Registration Services
9 Raffles Place #26-01,
Republic Plaza Tower I,
Singapore 048619

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITOR

ZHONGHUI ANDA CPA Limited
23/F, Tower 2, Enterprise Square Five,
38 Wang Chiu Road,
Kowloon Bay, Kowloon,
Hong Kong

COMPANY WEBSITE

www.yeigi.com

MANAGEMENT DISCUSSION AND ANALYSIS

(I) BUSINESS REVIEW

For the six months ended 30 June 2026, the principal activities of Yunnan Energy International Co. Limited (the “Company”) and its subsidiaries (collectively, 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 operates mainly by identifying the requirements of existing and potential customers of the Group (including product specifications, acceptable price levels of customers, etc.), procuring products from multiple suppliers, and supplying products to customers. The Group also provides after-sales services for products sold, such as testing, training, and maintenance services. There was no change in the business model of the Distribution Business during the period.

Customers of the Distribution Business mainly consist of various companies and institutions, including hospitals, universities, research institutes, bureaus of geology and mineral resources, industrial enterprises, and government authorities. During the period, all customers were PRC end-users or distributors.

MANAGEMENT DISCUSSION AND ANALYSIS

(I) BUSINESS REVIEW (CONTINUED)

Distribution Business (Continued)

The Group continued to serve a wide customer base in the PRC and a vast sales network connected to the Group's PRC offices located in Beijing, Shanghai, Southwest China, and Macao, and discussed product specifications and the provision of after-sales services with existing and potential customers. For the six months ended 30 June 2026 ("HY2026"), the Group continued to capitalize on the opportunity brought by the allocation of national equipment trade-in subsidy funds for Grade 3A hospitals affiliated with Yunnan Province and Guizhou Province. The Group established stable business cooperative relationships with numerous Grade 3A hospitals in Yunnan and Guizhou provinces, state-owned medical enterprises in Yunnan Province, and qualified medical device/equipment distributors. The Group successfully won bids for and carried out various medical device procurement and distribution trading projects, and entered into sale and purchase contracts with independent third parties. These included procurement and sales contracts for life science instruments such as neurology microscopes, intra-aortic balloon pumps, bronchoscopes, medical examination center equipment, color Doppler ultrasound diagnostic systems, disinfection center equipment, medical monitors, medical anesthesia machines, ventilators, electronic gastrointestinal endoscopes, ultrasound diagnostic instruments, medical angiographic X-ray systems, laparoscopes, endoscopes, operating room equipment, and ventilator equipment. Building on its successful bidding track record in 2025, during HY2026, the Company successively won bids for over 10 public hospital open procurement projects for medical equipment within Yunnan Province and Guizhou Province, with total contract amounts exceeding RMB15 million. Currently, the total contract amount of projects for which the Company is bidding exceeds RMB30 million, and the total contract amount of projects for which the Group is tracking amount to no less than RMB30 million.

MANAGEMENT DISCUSSION AND ANALYSIS

(I) BUSINESS REVIEW (CONTINUED)

Supply Chain Business

In HY2026, the Group continued to conduct the supply chain business for commodities, diversified industrial and consumer products, mainly involving photovoltaic (PV) modules, organosilicon and industrial silicon new materials, traditional Chinese medicine (TCM) herbs, coal, and stainless steel, so as to broaden revenue streams and enhance profitability. The Supply Chain Business is mainly conducted by identifying the requirements of existing and potential customers of the Group (including product specifications, acceptable price levels of customers, etc.), after which the Group procures products from multiple suppliers and supplies them to customers.

Customers of the Supply Chain Business mainly consist of state-owned enterprises and industrial sector companies, including leading global customers in the silicon-based materials industry with market coverage in core regions such as Europe, America, Asia-Pacific, and Latin America; companies engaged in the production and processing of stainless steel pipes in Vietnam; companies engaged in the trading and supply of Panax notoginseng (Sanqi) in Yunnan; as well as companies engaged in coal, PV modules, and other commodities.

Leveraging the extensive customer base established through operating the Distribution Business for over 30 years, the rich experience and networks of management and staff in the international supply chain sector, coupled with the support of the Company's controlling shareholder, Yunnan Provincial Energy Group Co., Ltd. ("Yunnan Provincial Energy Group"), the Group identifies various potential customers for its supply chain business. In addition, the Group participates in invitations to tender or requests for quotation from existing and potential customers in government and non-government sectors, and publicly tenders for the provision of supply chain services.

MANAGEMENT DISCUSSION AND ANALYSIS

(II) FINANCIAL REVIEW

Unaudited Condensed 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 HY2026, due to the lead time required for production, manufacturing, and customs clearance, only a small portion of the equipment was delivered and accepted in HY2026, more equipments are expected to be delivered and accepted in the second half of 2026. Thus, the Distribution Business in HY2026 decreased to HK\$2.9 million from HK\$20.7 million for the six months ended 30 June 2025 ("HY2025").

Due to the increase in demand for photovoltaic modules and silicon materials, the revenue of the Supply Chain Business in HY2026 increased by HK\$23.1 million or 17.5% to HK\$155.0 million from HK\$131.9 million in HY2025.

In HY2026, the Group faced an operational pressure in the Distribution Business which was partially offset by the improvement in the Supply Chain Business' financial results. Overall, the financial performance of the Group had improved in HY2026 as Supply Chain Business' revenue and gross profit have increased.

Revenue

Revenue in HY2026 increased by 3.5% to HK\$157.9 million from HK\$152.5 million in HY2025, which is mainly attributable to the increase in demand for photovoltaic modules and silicon materials.

MANAGEMENT DISCUSSION AND ANALYSIS

(II) FINANCIAL REVIEW (CONTINUED)

Cost of sales

Cost of sales in HY2026 decreased by 4.4% to HK\$140.9 million from HK\$147.4 million in HY2025. This was primarily driven by increased demand for photovoltaic modules and silicon materials, which carry lower material costs.

Gross profit and gross profit margin

The gross profit in HY2026 increased by 232.7% to HK\$17.0 million from HK\$5.1 million in HY2025. The increase in the gross profit of the Supply Chain Business is mainly caused by the increasing demand by end customers for the Group's products. The gross profit margin in HY2026 was 10.8% compared to 3.4% in HY2025. The increase in gross profit margin is mainly attributable to the increase in proportion of revenue of photovoltaic modules and silicon materials in the Supply Chain Business which had a relatively higher gross profit margin.

Other income and gains and losses, net

Other income and gains and losses, net in HY2026 increased by 85.5% to HK\$3.3 million from HK\$1.8 million in HY2025. The increase was mainly due to the record of dividend income from the Company's approximately 6.67% equity interest in YEIG Dayao Green Energy Generation Co., Ltd. ("Dayao Green Energy").

Selling and distribution expenses

Selling and distribution expenses in HY2026 increased by 109.8% to HK\$3.8 million from HK\$1.8 million in HY2025, which is mainly attributable to the increase in freight as a result of increased sales activities of silicon materials and coal.

Administrative expenses

Administrative expenses in HY2026 decreased by 4.2% to HK\$5.1 million from HK\$5.3 million in HY2025, mainly due to the decrease in legal and professional fee.

Finance costs

Finance costs in HY2026 decreased by 17.8% to HK\$1.4 million from HK\$1.8 million in HY2025, largely reflecting the lower balance of borrowings from banks and fellow subsidiary in HY2026.

MANAGEMENT DISCUSSION AND ANALYSIS

(II) FINANCIAL REVIEW (CONTINUED)

Profit for the period

In view of the above, the Group recorded a turnaround to a net profit of HK\$8.5 million in HY2026, as compared to a net loss of HK\$2.7 million in HY2025. The turnaround from loss to profit in HY2026 was mainly due to (i) the increase in the revenue and gross profit of the supply chain business mainly caused by the increase in demand for photovoltaic modules and silicon materials; and (ii) the increase of dividend income from equity investment designated at fair value through other comprehensive income.

Unaudited Condensed Consolidated Statement of Financial Position

Inventories

Inventories decreased by HK\$37.6 million from HK\$40.7 million as at 31 December 2025 to HK\$3.1 million as at 30 June 2026, 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 decreased by HK\$94.9 million from HK\$205.7 million as at 31 December 2025 to HK\$110.8 million as at 30 June 2026, mainly due to the decrease in trade receivables of the Supply Chain Business which are less than 120 days as a result of the faster recovery of receivables relating to photovoltaic modules and silicon materials in HY2026.

Trade payables

Trade payables decreased by HK\$46.3 million from HK\$104.1 million as at 31 December 2025 to HK\$57.8 million as at 30 June 2026, mainly due to the decrease in trade payables of the Supply Chain Business which are less than 60 days as a result of the faster payment of receivables relating to photovoltaic modules and silicon materials in HY2026.

MANAGEMENT DISCUSSION AND ANALYSIS

(II) FINANCIAL REVIEW (CONTINUED)

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2026, the Group's net current assets amounted to HK\$135.5 million (31 December 2025: HK\$125.7 million), of which cash and bank balances were HK\$55.6 million (31 December 2025: HK\$57.6 million), all of which were denominated in United States dollars, Hong Kong dollars and Renminbi. The Group's current ratio was 2.1 as at 30 June 2026 (31 December 2025: 1.5).

Bank borrowings and loan from an immediate holding company as at 30 June 2026 were HK\$46.0 million and HK\$12.4 million respectively (31 December 2025: Bank borrowings, loans from an immediate holding company and a fellow subsidiary amounted to HK\$72.0 million, HK\$11.8 million and HK\$60.3 million), all of which were denominated in Renminbi. As at 30 June 2026, the Group's borrowings of approximately HK\$58.4 million, with fixed interest rate ranging from 2.5% to 3.29% per annum, among which, HK\$46.0 million of borrowings are repayable within one year or on demand. The Group's gearing ratio stood at 32.2% as at 30 June 2026 (31 December 2025: 85.6%), 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.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

(II) FINANCIAL REVIEW (CONTINUED)

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

Review of performance for six months' period ended 30 June 2026

During the six months ended 30 June 2026, the Group made an additional investment at the cost of RMB3,432,000 (equivalent to HK\$3,946,000) in Dayao Green Energy, with an aggregated investment cost of HK\$55,323,000. During the six months ended 30 June 2026, the revenue and net profit of Dayao Green Energy were RMB139,581,000 and RMB22,437,000, respectively. In respect of such investment in Dayao Green Energy, an unrealised fair value gain of HK\$nil was recognised during the six months ended 30 June 2026. As at 30 June 2026, the fair value of the investment in Dayao Green Energy was HK\$58,337,000, accounting for 18.7% of the Group's total assets. RMB4,188,000 (equivalent to HK\$4,705,000) of dividend was declared from Dayao Green Energy during the six months ended 30 June 2026 (six months ended 30 June 2025: HK\$722,000) and subsequently received by the Group.

Save for those disclosed in this report, there were no significant investments held by the Group as at 30 June 2026, nor were there other material acquisitions and disposals of subsidiaries, associates and joint ventures by the Group during the six months ended 30 June 2026. Apart from those disclosed in this report, there was no other plan authorised by the Board for other material investments or additions of capital assets at the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

(II) FINANCIAL REVIEW (CONTINUED)

PLEDGE ON ASSETS

The Group did not have any charges on its assets as at 30 June 2026.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

The Group did not have any material contingent liabilities or capital commitment as at 30 June 2026.

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.

INTERIM DIVIDEND

The Board did not recommend or declare any interim dividend for HY2026 (HY2025: Nil).

CHANGE IN DIRECTORS' BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE RULES ("LISTING RULES") GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED ("SEHK")

There was no other change in the Directors' biographical details which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2025 annual report of the Company up to the date of this report.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 June 2026, there were 22 (31 December 2025: 22) employees in the Group. In HY2026, the employee benefit expense was approximately HK\$2.6 million. 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 training, medical and life insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and contributions to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

(III) PROSPECTS

The Group will continue to focus simultaneously on both the Distribution Business and the Supply Chain Business to continuously expand its business scale and broaden its customer base, thereby increasing the revenue and profit contributions from these businesses and creating returns for shareholders. To this end, the Group has formulated detailed business plans for the remaining period in the current financial year, as set out below:

Distribution Business

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

- Focusing on expanding public bidding and procurement projects for medical equipment in reputable Grade 3A hospitals within Yunnan and Guizhou provinces, striving to secure new sales contracts with an aggregate amount of no less than RMB30 million in the second half of 2026. During the previous execution of medical-related business, the Group accumulated supplier, agent, or distributor resources with good reputation and qualifications in Yunnan Province for well-known domestic and international. The Group will continue to strengthen customer credit evaluation, establish a scientific credit management system, and implement differentiated credit policies for customers with different credit ratings.
- The Group is continuously and actively expanding potential customers in Southwest China, offering the Group's wide range of products and services according to customers' procurement plans to satisfy the needs of potential customers across various industries, thereby expanding the distribution trading market in multiple aspects.

MANAGEMENT DISCUSSION AND ANALYSIS

(III) PROSPECTS (CONTINUED)

Supply Chain Business

The Group reviews its operations in detail from time to time and adjusts its sales strategies to explore new potential projects, broaden revenue sources, and improve profitability. Accordingly, the Group has been actively developing the supply chain business in both domestic and international markets. The Group is also committed to capturing potential opportunities in the supply chain business by virtue of the rich experience of its management team (especially experience related to international trade and energy projects) and business networks. The following is a summary of the main business plans:

- The Group will continue to develop its supply chain business, striving to sign long-term supply agreements with relevant enterprises in the new materials business, PV module business, coal business, and TCM herb products, achieving long-term, stable, and large-volume trading. In terms of international trade, deep synergy will be formed with the Group's new materials subsidiary to create an integrated "production, supply, and marketing" collaborative advantage. The business covers various countries and regions including the United Kingdom, Belgium, South Korea, Brazil, India, Italy, and Japan, realizing global sales of full-category industrial silicon and organosilicon products. The Group exhibited at the specialized organosilicon exhibition in Amsterdam, Netherlands, and attended the 2026 Indonesia International Fine Chemicals Exhibition in Indonesia to expand overseas organosilicon markets. Investments in energy projects drove the implementation of module and energy storage equipment trading, steadily advancing PV module exports to Vientiane, Laos and stainless steel exports, while actively tracking and expanding potential businesses such as cement and cables. The Group was successfully selected as a third-party organizer/exhibitor agency for key overseas exhibitions in Yunnan Province, building an effective bridge for external cooperation for future international business expansion. In terms of domestic trade, the Group steadily carried out pulverized coal trading for the Jinhua Plant, achieving cumulative sales of over 400,000 tonnes of pulverized coal to date, and winning the bid for 42,100 tonnes of anthracite coal for PetroChina; and continuously conducted Sanqi sales business, effectively digesting inventory to realize profits.

MANAGEMENT DISCUSSION AND ANALYSIS

(III) PROSPECTS (CONTINUED)

Supply Chain Business (Continued)

- The Group's supply chain business is currently managed by the Group's experienced 11-member management team, led by Mr. Ma Can, who graduated from Yunnan University with a Master's degree in Business Administration. He holds qualifications as a customs declarant and an inspection declarant. He worked for several years in foreign economic and trade enterprises in Southeast Asian countries such as Cambodia and Laos, as well as in Yunnan Province. He has over 20 years of rich international experience, trading experience, and overseas work background, and has long been engaged in the import and export trading of coke, coal, machinery and equipment, chemical fertilizers, pesticides, and medical and health products. Other members of the management team have an average of 7 years of work experience in the international supply chain industry. Leveraging Yunnan Provincial 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 building materials, medical devices, and energy. Under Mr. Ma's management and organization, the Group has built an experienced management team possessing advantages in efficient customs clearance and broad trading categories, winning new bidding projects and accelerating the promotion of potential businesses in new materials, coal, Sanqi, and other trade categories.

MANAGEMENT DISCUSSION AND ANALYSIS

(III) PROSPECTS (CONTINUED)

International Energy Project Investment

On the basis of consolidating its existing Distribution Business and Supply Chain Business, the Group is actively expanding green energy project investments in Yunnan Province and overseas, striving to increase the installed capacity scale of energy projects, enhance revenue and profit contributions through project construction, and create higher returns for shareholders. Relying on Yunnan Provincial Energy Group's government resources, cooperation networks, and brand advantages in Yunnan Province, Southwest China, and Southeast Asia (including Laos and Myanmar), the Group will accelerate the implementation and layout of green energy projects in Yunnan Province and Southeast Asian markets.

Following its successful participation in the Dayao green energy project in Yunnan Province and accumulating relevant investment and operational experience, in HY2026, the Group further deepened market research and development for green energy markets in Yunnan Province and Southeast Asian countries (particularly Laos and Myanmar), focusing on conducting multiple rounds of preliminary negotiations and business advancement in renewable energy fields such as photovoltaics and hydropower. The Group will continue to pay close attention to policy trends and market dynamics, accelerate project progress, and solidify the Company's energy sector.

Meanwhile, the Group plans to accelerate the expansion pace of its supply chain business in South Asia and Southeast Asia. Leveraging Yunnan Provincial Energy Group's resource advantages in the region and combined with the Group's professional capability in supply chain management, the Group will form synergistic effects with Yunnan Provincial Energy Group's overseas energy project developments, focusing on supply chain business for energy infrastructure construction in countries such as Laos and Myanmar. By elevating regional brand influence and service capabilities, the Group will actively pursue more business expansion and investment opportunities, further enriching its business structure and enhancing its comprehensive competitiveness in South Asia and Southeast Asia markets.

MANAGEMENT DISCUSSION AND ANALYSIS

(III) PROSPECTS (CONTINUED)

International Energy Project Investment (Continued)

The Group will continue to leverage Yunnan Provincial Energy Group's influence in the energy, modern logistics, and green energy new materials sectors, making full use of its overseas network, professional technical teams, and mature management experience to deeply tap into overseas energy import and export demands, expanding customer coverage and revenue streams. By building a global supply chain system, the Group will further seize investment opportunities in the green energy sector and reinforce its overall market position.

As business expansion continues, relying on Yunnan Provincial Energy Group's overseas resource network, the Group will establish professional teams to deeply integrate market resources and deepen cooperative relationships with potential customers and suppliers. By establishing long-term and stable supply chain cooperation, the Group will further consolidate its competitive advantages in business and drive sustainable development.

Looking forward, with steady improvements in financial performance and solid implementation of operational strategies, the Group will give full play to its initial achievements in energy project investment, leverage existing resource advantages, continuously optimize operational efficiency, address market challenges, and create greater value for shareholders. The Group remains fully confident in the future development of its green energy business and supply chain business, and will continue to promote business diversification and internationalization to generate long-term sustainable returns for shareholders and society.

OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, to the knowledge of the Directors or chief executives of the Company, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were required (a) to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) to be entered in the register required to be kept by the Company pursuant to section 352 of the SFO, or (c) as otherwise to be notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listing Issuers (the “Model Code”) as set out in Appendix C3.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of HY2026 nor at any time during HY2026 was the Company nor any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, so far as to the knowledge of the Directors of the Company, the following persons (other than the Directors whose interests are disclosed in the section headed "Directors' Interests in Shares and Underlying Shares and Debentures" above) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the SEHK under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long position in Shares

Name	Capacity and nature of interests	Direct Interest		Deemed Interest	
		Number of Shares held	Approximate percentage of the issued share capital of the Company	Number of Shares held	Approximate percentage of the issued share capital of the Company
Yunnan Energy Investment (HK) Co. Limited (Note 1)	Beneficial owner	201,196,995	73.05%	–	–
Yunnan Provincial Energy Group Co., Limited (Note 1)	Interest of controlled corporation	–	–	201,196,995	73.05%

Note:

- 201,196,995 shares are owned by Yunnan Energy Investment (HK) Co. Limited which is wholly owned by Yunnan Provincial Energy Group Co., Limited. Accordingly, Yunnan Provincial Energy Group Co., Limited are deemed to be interested in all the Shares held by Yunnan Energy Investment (HK) Co. Limited.

OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (CONTINUED)

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any other persons (other than the Directors) who had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the SEHK under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

During HY2026, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities on the SEHK or the Singapore Exchange Securities Trading Limited ("SGX-ST"). As at 30 June 2026, the Group did not hold any treasury shares.

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") has reviewed the unaudited condensed consolidated interim results and this report of the Group for HY2026, including the review of the accounting principles and practices adopted by the Group, and has also discussed auditing, risk management and internal control and financial reporting matters. The Audit Committee has no disagreement with the accounting principles, treatments and practices adopted by the Group.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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 "CG Code") contained in Appendix C1 to the Listing Rules.

In the opinion of the Board, the Company has complied with the applicable code provisions of the CG Code throughout HY2026.

SUBSEQUENT EVENTS

From the end of the reporting period to the date of this report, the Group did not have any other significant events.



OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted 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 enquiry with all Directors, the Company confirmed that all members of the Board complied with the Model Code during HY2026.

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 noncompliance with the Model Code by such employees was noted by the Company during HY2026.

CONSTITUTIONAL DOCUMENTS

The Board of Directors regularly review the constitutional documents of the Company. There were 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 “Bye-laws Amendments”). For details of the Bye-laws Amendments, please refer to the circular of the Company dated 29 April 2026.

The Bye-laws Amendments and adoption of the amended and restated Bye-laws were approved by the shareholders of the Company at the Company’s annual general meeting on 5 June 2026.

DISCLOSURE ON THE WEBSITES OF THE EXCHANGES AND THE COMPANY

This report shall be published on the respective websites of the SEHK, SGX-ST and the Company.

By Order of the Board
Yunnan Energy International Co. Limited
Zhu Yingxue
Chairman

Hong Kong, 25 August 2026

FINANCIAL STATEMENTS

RESULTS

The board (the “Board”) of directors (the “Director(s)”) of Yunnan Energy International Co. Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2026 (“HY2026”) together with the comparative figures for the six months ended 30 June 2025 (“HY2025”) as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Six months ended 30 June 2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Revenue	5	157,947	152,546
Cost of sales		(140,890)	(147,419)
Gross profit		17,057	5,127
Other income and gains and losses, net	6	3,304	1,781
Selling and distribution expenses		(3,782)	(1,803)
Administrative expenses		(5,098)	(5,319)
Reversal of impairment losses of financial assets, net		—	545
Finance costs	7	(1,444)	(1,756)
PROFIT/(LOSS) BEFORE TAX	8	10,037	(1,425)
Income tax	9	(1,509)	(1,230)
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		8,528	(2,655)

FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	Notes	Six months ended 30 June 2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
OTHER COMPREHENSIVE INCOME			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		4,510	1,618
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		4,510	1,618
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		13,038	(1,037)
PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY OWNERS OF THE PARENT:			
Basic and diluted (HK cents per share)	11	3.10	(0.96)

FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	49	70
Equity investment designated at fair value through other comprehensive income	13	58,337	54,390
Total non-current assets		58,386	54,460
CURRENT ASSETS			
Inventories		3,133	40,661
Trade receivables	14	110,818	205,681
Prepayments, deposits and other receivables	15	84,536	92,076
Cash and bank balances		55,582	57,557
Total current assets		254,069	395,975
CURRENT LIABILITIES			
Trade payables	16	57,806	104,100
Other payables and accruals	17	14,840	31,616
Loan from a fellow subsidiary	18	—	60,291
Bank borrowings	19	45,971	71,965
Tax payable		—	2,313
Total current liabilities		118,617	270,285
NET CURRENT ASSETS		135,452	125,690
TOTAL ASSETS LESS CURRENT LIABILITIES		193,838	180,150
NON-CURRENT LIABILITY			
Loan from the immediate holding company	20	12,414	11,764
Total non-current liability		12,414	11,764
NET ASSETS		181,424	168,386
EQUITY			
Issued capital	21	107,420	107,420
Reserves		74,004	60,966
TOTAL EQUITY		181,424	168,386

FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to owners of the parent							
	Share capital (Unaudited)	Share premium (Unaudited)	Contributed surplus (Unaudited)	Investment revaluation reserve (Unaudited)	Exchange fluctuation reserve (Unaudited)	Accumulated losses (Unaudited)	Total equity (Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2026	107,420	143,392	3,071	3,013	(8,676)	(79,834)	168,386
Profit for the period	-	-	-	-	-	8,528	8,528
Other comprehensive income for the period:							
Exchange differences arising on translating foreign operation	-	-	-	-	4,510	-	4,510
Total comprehensive income for the period	-	-	-	-	4,510	8,528	13,038
At 30 June 2026	107,420	143,392	3,071	3,013	(4,166)	(71,306)	181,424

FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to owners of the parent						
	Share capital (Unaudited)	Share premium (Unaudited)	Contributed surplus (Unaudited)	Investment revaluation reserve (Unaudited)	Exchange fluctuation reserve (Unaudited)	Accumulated losses (Unaudited)	Total equity (Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2025	107,420	143,392	3,071	852	(11,682)	(78,936)	164,117
Loss for the period	-	-	-	-	-	(2,655)	(2,655)
Other comprehensive income for the period:							
Exchange differences arising on translating foreign operation	-	-	-	-	1,618	-	1,618
Total comprehensive income/(loss) for the period	-	-	-	-	1,618	(2,655)	(1,037)
At 30 June 2025	107,420	143,392	3,071	852	(10,064)	(81,591)	163,080

FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June 2026 (Unaudited)	2025 (Unaudited)
	HK\$'000	HK\$'000
Net cash generated from operating activities	86,805	32,265
Cash flows from investing activities		
Interest received	23	52
Dividend received, net of withholding tax	4,618	—
Purchase of equity investment designated at fair value through other comprehensive income	(3,894)	(11,368)
Net cash flows generated from/(used in) investing activities	747	(11,316)
Cash flows from financing activities		
New loan from the immediate holding company	—	11,386
Repayment of loan from a fellow subsidiary	(62,159)	(75,907)
New bank borrowings raised	11,346	37,954
Repayment of bank borrowings	(39,711)	—
Interest paid	(1,066)	(189)
Net cash used in financing activities	(91,590)	(26,756)
Net decrease in cash and cash equivalents	(4,038)	(5,807)
Cash and cash equivalents at beginning of the period	57,557	66,063
Effect of foreign exchange rate changes	2,063	1,165
Cash and cash equivalents at end of the period	55,582	61,421

FINANCIAL STATEMENTS

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

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 period, the Company and its subsidiaries (collectively, the “Group”) were involved in the following principal activities:

- a) Distribution of branded analytical and laboratory instruments and life science equipment (the “Distribution Business”)
- b) Supply chain business on the trading of diversified industrial and consumer products (the “Supply Chain Business”)

The immediate holding company of the Company is Yunnan Energy Investment (HK) Co. Limited, which is incorporated in Hong Kong with limited liability, and in the opinion of the directors, the ultimate holding company of the Company is Yunnan Provincial Energy Group Co., Ltd, which is a state-owned enterprise established in the People’s Republic of China (the “PRC”) and is wholly owned by The State-owned Assets Supervision and Administration Commission of the Yunnan Provincial People’s Government of the PRC.

2. BASIS OF PREPARATION AND APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

Basis of preparation

The unaudited condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The unaudited condensed consolidated financial statements for the six months ended 30 June 2026 do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025.

FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS (CONTINUED)

The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2025.

Application of new and revised IFRS Accounting Standards

In the current period, 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 2026. 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 financial statements and amounts reported for the current year and prior years.

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. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group’s financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

FINANCIAL STATEMENTS

3. FAIR VALUE MEASUREMENTS (CONTINUED)

The directors of the Company consider that the fair values of financial assets and financial liabilities which are due to be received or settled within one year approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Company's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

Reconciliation of assets measured at fair value based on level 3:

Equity investment designated at FVTOCI

	HK\$'000
At 1 January 2025	40,877
Addition	11,352
Total gains recognised in other comprehensive income	2,161
At 31 December 2025 and 1 January 2026	54,390
Addition	3,947
Total gains recognised in other comprehensive income	—
At 30 June 2026	58,337

FINANCIAL STATEMENTS

3. FAIR VALUE MEASUREMENTS (CONTINUED)

Financial assets/ financial liabilities	Fair value as at 30/6/2026	Fair value as at 31/12/2025	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity analysis
Unlisted equity investments at FVTOCI (note 13)	58,337	54,390	Level 3	Income approach – discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate discount rate	Long-term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries, which is 2% (unaudited) (31 December 2025: 2% (audited)) Long-term pre-tax operating margin, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 27.0% to 35.0% (unaudited) (31 December 2025: 27.0% to 35.0% (audited)) Discount rate, taking into account weighted average cost of capital determined using a Capital Asset Pricing Model, which is 6.23% (unaudited) (31 December 2025: 6.23% (audited)) Discount for lack of marketability of 9.0% (unaudited) (31 December 2025: 9.0% (audited))	A slight increase in the revenue growth rate used would result in a significant increase in fair value of the investment, and vice versa A slight increase in the long-term pre-tax operating margin used would result in a slight increase in fair value of the investment, and vice versa A slight increase in the discount rate used would result in a significant decrease in fair value of the investment, and vice versa A slight increase in the discount for lack of marketability used would result in a significant decrease in fair value of the investment, and vice versa

FINANCIAL STATEMENTS

3. FAIR VALUE MEASUREMENTS (CONTINUED)

Financial assets/ financial liabilities	Fair value as at 30/6/2026	Fair value as at 31/12/2025	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity analysis
					Discount for lack of control of 17.0% (unaudited) (31 December 2025: 17.0% (audited))	A slight increase in the discount for lack of control used would result in a significant decrease in fair value of the investment, and vice versa
Other receivables under factoring agreement (note 15(c))	6,560	6,129	Level 2	Discounted cash flow	Discount rate of 11% (unaudited) (31 December 2025: 12% (audited))	A slight increase in the discount rate used would result in a significant decrease in fair value of the investment, and vice versa

During the six months ended 30 June 2026, there were no transfers of fair value measurements between level 1 and level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (year ended 31 December 2025: nil).

4. 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:

- 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
- 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/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that bank interest income, dividend income from equity investment designated at fair value through other comprehensive income (net of withholding tax), finance costs, depreciation, as well as head office and corporate administrative expenses are excluded from such measurement.

FINANCIAL STATEMENTS

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Segment revenues and results

	Distribution Business		Supply Chain Business		Total	
	Six months ended 30 June 2026	Six months ended 30 June 2025	Six months ended 30 June 2026	Six months ended 30 June 2025	Six months ended 30 June 2026	Six months ended 30 June 2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	2,940	20,661	155,007	131,885	157,947	152,546
Segment result	(77)	(215)	8,835	1,724	8,758	1,509
Bank interest income					23	52
Dividend income					4,618	644
Finance costs					(1,444)	(1,756)
Depreciation					(23)	(26)
Corporate administration costs					(1,895)	(1,848)
Profit/(loss) before tax					10,037	(1,425)

Segment assets and liabilities

Segment assets and liabilities information is not disclosed as it is not regularly reviewed by the CODM.

Geographical information

The Group's revenue from external customers, based on location of customers, is detailed below:

	Six months ended 30 June 2026	Six months ended 30 June 2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
PRC (including Hong Kong and Macau)	96,609	152,256
Asia (other than the PRC)	48,826	290
Other areas	12,512	—
Total	157,947	152,546

No geographical information about the Group's non-current assets is presented as 100% of the Group's non-current assets as at the end of each of these periods was located in the PRC (including Hong Kong and Macau).

FINANCIAL STATEMENTS

4. OPERATING SEGMENT INFORMATION (CONTINUED)

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 period is set out below:

	Six months ended 30 June 2026 (Unaudited)	2025 (Unaudited)
	HK\$'000	HK\$'000
Customer A from the Supply Chain Business segment	41,408	N/A*
Customer B from the Supply Chain Business segment	33,952	N/A*
Customer C from the Supply Chain Business segment	16,322	N/A*
Customer D from the Supply Chain Business segment	N/A*	55,224
Customer E from the Supply Chain Business segment	N/A*	32,798
Customer F from the Supply Chain Business segment	N/A*	16,479
Customer G from the Supply Chain Business segment	N/A*	16,217

* 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 period.

5. REVENUE

An analysis of the Group's revenue is as follows:

	Six months ended 30 June 2026 (Unaudited)	2025 (Unaudited)
	HK\$'000	HK\$'000
Revenue from contracts with customers		
Sale of goods	157,947	152,546

FINANCIAL STATEMENTS

5. REVENUE (CONTINUED)

Notes:

- a. Disaggregated revenue information

For the six months ended 30 June 2026

	Distribution Business (Unaudited)	Supply Chain Business (Unaudited)	Total (Unaudited)
	HK\$'000	HK\$'000	HK\$'000
Types of goods or services and point of revenue recognition			
Sales of goods, recognised at the point in time	2,940	155,007	157,947
Geographical markets			
PRC (including Hong Kong and Macau)	2,940	93,669	96,609
Asia (other than the PRC)	–	48,826	48,826
Other areas	–	12,512	12,512
Total revenue from contracts with customers	2,940	155,007	157,947

For the six months ended 30 June 2025

	Distribution Business (Unaudited)	Supply Chain Business (Unaudited)	Total (Unaudited)
	HK\$'000	HK\$'000	HK\$'000
Types of goods or services and point of revenue recognition			
Sales of goods, recognised at the point in time	20,661	131,885	152,546
Geographical markets			
PRC (including Hong Kong and Macau)	20,661	131,595	152,256
Asia (other than the PRC)	–	290	290
Total revenue from contracts with customers	20,661	131,885	152,546

FINANCIAL STATEMENTS

5. REVENUE (CONTINUED)

- b. The following table shows the amounts of revenue recognised in the current reporting period that were included in contract liabilities at the beginning of the reporting period:

	Six months ended 30 June 2026 (Unaudited) <i>HK\$'000</i>	2025 (Unaudited) <i>HK\$'000</i>
Sale of goods	13,007	10,441

- c. No revenue recognised during the six months ended 30 June 2026 and 2025 related to performance obligations satisfied or partially satisfied in previous years.

Performance obligations

The performance obligation for the sale of goods is satisfied upon delivery of the goods and payment is generally due within 60 to 150 days from delivery, except for new customers, where payment in advance is normally required.

The Group has applied the practical expedient in IFRS 15 to its revenue from the sale of goods for not disclosing the remaining performance obligations under the Group's existing contracts as all contracts in which the performance obligations are expected to be recognised as revenue have an original expected duration of one year or less.

FINANCIAL STATEMENTS

6. OTHER INCOME AND GAINS AND LOSSES, NET

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

	Six months ended 30 June 2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Other income		
Bank interest income	23	52
Dividend income from equity investment designated at fair value through other comprehensive income (net of withholding tax)	4,618	644
Insurance subsidies	41	602
Tax refund	2	—
	4,684	1,298
Gains and loss, net		
Fair value gain of other receivables under factoring agreement	386	312
Foreign exchange (loss)/gain, net	(1,766)	171
	(1,380)	483
	3,304	1,781

7. FINANCE COSTS

	Six months ended 30 June 2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Interest expense from bank borrowings	873	221
Interest expense on loan from the immediate holding company	197	107
Interest expense on loan from a fellow subsidiary	374	1,428
	1,444	1,756

FINANCIAL STATEMENTS

8. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Six months ended 30 June 2026 (Unaudited)	2025 (Unaudited)
	HK\$'000	HK\$'000
Cost of inventories sold	140,890	147,419
Depreciation of items of property, plant and equipment	23	26
Lease payments not included in the measurement of lease liabilities	8	7
Employee benefit expense (excluding directors' remuneration):		
Salaries, allowances and benefits in kind	2,223	2,217
Defined contribution scheme contributions	346	191
	2,569	2,408
Foreign exchange differences, net	1,766	(171)
Impairment losses of financial assets, net:		
Trade receivables	—	(545)

9. INCOME TAX

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

	Six months ended 30 June 2026 (Unaudited)	2025 (Unaudited)
	HK\$'000	HK\$'000
Current tax		
– Corporate Income Tax in the PRC	1,509	1,230

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 profits tax and Macau income tax was made as the Group did not have any assessment profits arising from Hong Kong and Macau for both periods.

Under the Law of the PRC on Corporate Income Tax (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% (six months ended 30 June 2025: 25%).

FINANCIAL STATEMENTS

10. DIVIDENDS

The Board did not recommend or declare any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

11. PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY OWNERS OF THE PARENT

The calculation of the basic profit/(loss) per share amount is based on the profit for the period attributable to ordinary equity owners of the parent of HK\$8,528,000 (six months ended 30 June 2025: loss for the period attributable to ordinary equity owners of the parent of HK\$2,655,000) and the weighted average number of ordinary shares of 275,437,000 (six months ended 30 June 2025: 275,437,000) in issue during the period.

No adjustment has been made to the basic profit/(loss) per share amount presented for each of the periods ended 30 June 2026 and 2025 for a dilution as the Group had no potentially dilutive ordinary shares in issue during these periods.

12. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group had no (six months ended 30 June 2025: nil) acquisition of property, plant and equipment. During the period, the Group did not dispose of items of property, plant and equipment (six months ended 30 June 2025: nil).

13. EQUITY INVESTMENT DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Equity securities, at fair value		
Unlisted equity securities	58,337	54,390
Analysed as:		
Non-current assets	58,337	54,390

FINANCIAL STATEMENTS

13. EQUITY INVESTMENT DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

The equity investment designated at fair value through other comprehensive income ("FVTOCI") is an unlisted equity investment that represented 6.67% equity interest of YEIG Dayao Green Energy Generation Co., Ltd. ("Dayao Green Energy"), a private entity incorporated in the PRC, which is responsible for the development, construction, operation and management of the green energy project. The Group designated its investment in Dayao Green Energy at FVTOCI, as it is held for long-term strategic purpose and this classification helps to avoid the volatility of fair value changes affecting the profit or loss. Dividend of RMB4,188,000 (equivalent to HK\$4,705,000) was declared and received in respect of this investment during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB659,000 (equivalent to HK\$722,000) was declared and subsequently received). Of this amount, RMB3,432,000 (equivalent to HK\$3,946,000) represented additional investment, whilst the balance of the dividend was received and is subject to withholding tax at 10%. The net amount of HK\$4,618,000 was recognised as dividend income in profit or loss. Additional investment of RMB3,432,000 (equivalent to HK\$3,946,000) (for the year ended 31 December 2025: RMB10,483,000 (equivalent to HK\$11,352,000)) was made to Dayao Green Energy by the Group during the six months ended 30 June 2026, in accordance with the equity transfer agreement dated 19 January 2024 entered into between the Group, a subsidiary of Yunnan Provincial Energy Group Co., Ltd and Dayao Green Energy. Details of the equity transfer agreement was disclosed in the circular of the Company dated 23 February 2024.

14. TRADE RECEIVABLES

	Notes	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Trade receivables	(a)	117,358	211,928
Impairment	(b)	(6,540)	(6,247)
		110,818	205,681

FINANCIAL STATEMENTS

14. TRADE RECEIVABLES (CONTINUED)

Notes:

- (a) The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 60 days, extending up to 150 days for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. Overdue balances are reviewed regularly by senior management. Except for collection of trade debts arising from trading with overseas customers which is covered by insurance policies, the Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.
- (b) The variations are attributable to fluctuations in exchange rates.
- (c) An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	HK\$'000	HK\$'000
Less than 90 days	17,006	92,378
91 to 120 days	16,543	55,047
121 to 365 days	48,919	50,055
1 to 2 years	28,350	8,201
	110,818	205,681

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	30 June 2026 (Unaudited)	31 December 2025 (Audited)
		HK\$'000	HK\$'000
Prepayments	(a)	39,439	47,591
Deposits and other receivables	(b)	17,570	16,611
Value-added tax recoverable		21,597	22,352
Other receivables under factoring agreement	(c)	6,560	6,129
		85,166	92,683
Impairment allowance	(d)	(630)	(607)
		84,536	92,076

FINANCIAL STATEMENTS

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

Notes:

- (a) Prepayments mainly comprise advance payments for purchase of inventories held for trading and other expenses. Included in the prepayments was mainly an advance payment for the purchase of coal for trading ("Advance Payment") of RMB21,752,000 (equivalent to HK\$24,999,000) (31 December 2025: RMB31,752,000 (equivalent to HK\$35,154,000)). Delivery of coal for trading was delayed.

On 8 January 2025, a mediation agreement ("Mediation Agreement") was signed with an agreed repayment schedule, under which the advance payment plus accrued interest will be fully repaid before 31 December 2026. The Group holds: (i) the entire equity interest in one of the vendor's wholly owned subsidiaries; and (ii) a partial equity interest in another wholly owned subsidiary of the vendor, as collaterals. Each of these subsidiaries holds a coal mine. In addition, as agreed in the Mediation Agreement, the counterparties guaranteed to give the right of priority repayment of the government subsidy receivable of approximately RMB54,679,000 to the Group to repay the advance payment.

During the year ended 31 December 2025, only RMB3,000,000 was settled as scheduled. The rest of the installments were not received. The Group applied for compulsory enforcement to the assets and equity interest of the vendor, which was approved by the relevant court in PRC. This case is in the course of legal enforcement.

During the six months ended 30 June 2026, RMB10,000,000 was further received.

Based on the current market value of coal from expected delivery and the value of the pledged collateral, the Group is of the opinion that no impairment provision over the prepayment is considered necessary as at 30 June 2026 (31 December 2025: nil).

- (b) Deposits and other receivables mainly comprise tendering deposits and performance pledged deposits.
- (c) On 30 December 2024, the Company entered into a non-recourse factoring agreement with Union Resources & Engineering (Hong Kong) Company Limited ("UREC (HK)") to factor approximately US\$1.7 million of the Company's accounts receivables. UREC (HK) is an associate of Yunnan Provincial Energy Group Co. Ltd, the Company's ultimate holding company and a connected person under Chapter 14A of the Listing Rules. Further details are set out in the Company's announcement dated 30 December 2024. The above factoring arrangement constitutes an exempted connected transactions as defined under Chapter 14A of the Listing Rules. The change in fair value arising was recognised in "other income and gains and losses, net" in the profit or loss account. During the year ended 31 December 2025, factoring amount of US\$0.7 million was received and factoring amount of US\$0.5 million which was scheduled to be received by the Company on 31 December 2025, was extended to 31 December 2026. All the outstanding factoring amount is expected to be received on 31 December 2026.
- (d) The variations are attributable to fluctuations in exchange rates.

FINANCIAL STATEMENTS

16. TRADE PAYABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	HK\$'000	HK\$'000
Trade payables	57,806	104,100

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

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	HK\$'000	HK\$'000
Less than 60 days	16,897	68,444
61 to 180 days	16,566	2,227
181-365 days	24,343	33,429
	57,806	104,100

The trade payables are non-interest-bearing and are normally settled on terms ranging from 60 days to 90 days.

17. OTHER PAYABLES AND ACCRUALS

	Notes	30 June 2026 (Unaudited)	31 December 2025 (Audited)
		HK\$'000	HK\$'000
Accruals		2,935	2,853
Contract liabilities – customers' deposits	(a)	11,347	28,459
Other payables	(b)	355	299
Due to a fellow subsidiary	(c)	203	5
		14,840	31,616

FINANCIAL STATEMENTS

17. OTHER PAYABLES AND ACCRUALS (CONTINUED)

Notes:

- (a) Contract liabilities include short-term advances received from customers for the supply of diversified industrial and consumer products.
- (b) Other payables are non-interest-bearing and have an average term of three months.
- (c) The amount due to a fellow subsidiary is unsecured, interest-free and has no fixed term of repayment.

18. LOAN FROM A FELLOW SUBSIDIARY

The loan balance as at 31 December 2025 was a loan advanced to the Group from YEIG International Consulting (Beijing) Co., LTD., a fellow subsidiary, pursuant to a loan agreement dated 28 March 2024 entered into between the two parties with a total loan facility of RMB180,000,000. This loan was unsecured, bearing an interest at the rate of 2.50% per annum, the parties executed a supplemental agreement on 9 April 2025, whereby the remaining loan principal of RMB100,000,000 was extended for a maximum period of one year and the interest rate was reset to 2.90% per annum, which could be repaid before the maturity date as mutually agreed between the two parties. As at 31 December 2025, the outstanding balance under this loan facility amounted to RMB54,456,000 (equivalent to HK\$60,291,000), which included an interest payable of RMB4,456,000 (equivalent to HK\$4,933,000). During the six months ended 30 June 2026, the entire loan balance was settled.

The above loan arrangements with a fellow subsidiary constitute an exempted connected transaction under Chapter 14A of the Listing Rules.

19. BANK BORROWINGS

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	HK\$'000	HK\$'000
Bank loans	45,971	71,965
Less: Amount due for settlement within 12 months (shown under current liabilities)	(45,971)	(71,965)
Amount due for settlement after 12 months	—	—
The borrowings are repayable as follows:		
On demand or within one year	45,971	71,965

FINANCIAL STATEMENTS

19. BANK BORROWINGS (CONTINUED)

The carrying amounts of the Group's borrowings are denominated in RMB.

The average interest rates were as follows:

	Six months ended 30 June 2026 (Unaudited)	2025 (Unaudited)
Bank loans	2.86%	2.78%

20. LOAN FROM THE IMMEDIATE HOLDING COMPANY

The loan balance as at 30 June 2026 was a loan advanced to the Group from Yunnan Energy Investment (HK) Co. Limited, an immediate holding company, pursuant to a loan agreement dated 18 March 2025 entered into between the two parties with a total loan facility of RMB10,500,000. This loan was unsecured, bearing an interest at the rate of 3.29% per annum with a maturity date as of 17 March 2028, which could be repaid before the maturity date as mutually agreed between the two parties. As at 30 June 2026, the outstanding balance under this loan facility amounted to RMB10,801,000 (equivalent to HK\$12,414,000), which included an interest payable of RMB301,000 (equivalent to HK\$346,000).

The above loan arrangements with the immediate holding company constitute an exempted connected transaction under Chapter 14A of the Listing Rules.

21. SHARE CAPITAL

	30 June 2026 (Unaudited) <i>HK\$'000</i>	31 December 2025 (Audited) <i>HK\$'000</i>
Authorised:		
800,000,000 ordinary shares of USD0.05 each	312,000	312,000
Issued and fully paid:		
275,437,000 ordinary shares of USD0.05 each	107,420	107,420

22. CONTINGENT LIABILITIES

As at 30 June 2026 and 31 December 2025, the Group had no material contingent liabilities.

FINANCIAL STATEMENTS

23. CAPITAL COMMITMENTS

As at 30 June 2026 and 31 December 2025, the Group did not have any significant capital commitment.

24. RELATED PARTIES DISCLOSURES

- (a) In addition to the transactions detailed elsewhere in the unaudited condensed consolidated financial statements, the Group had the following material transactions with related parties during the period:

	Notes	Six months ended 30 June 2026 (Unaudited)	2025 (Unaudited)
		HK\$'000	HK\$'000
Interest paid and payable on loan from the immediate holding company	(i)	197	107
Interest paid and payable on loan from a fellow subsidiary	(ii)	374	1,428
Purchase of goods from a fellow subsidiary	(iii)	9,794	250

Note:

- (i) Details of the loan from the immediate holding company are set out in note 20 to the unaudited condensed financial statements. The loan from the immediate holding company constitutes exempted connected transactions as defined under Chapter 14A of the Listing Rules.
- (ii) Details of the loan from a fellow subsidiary are set out in note 18 to the unaudited condensed financial statements. The loan from a fellow subsidiary is exempted connected transactions as defined under Chapter 14A of the Listing Rules.
- (iii) The transaction was made between the Company and a fellow subsidiary, Yunnan Energy Investment Silicons Materials Technology Development Co., Ltd. (雲南能投硅材科技發展有限公司), for purchase of silicone wire product. The transactions constituted continuing connected transactions as defined under Chapter 14A of the Listing Rules. Further details are set out in the Company's announcement dated 14 January 2026 and the Company's circular dated 12 February 2026.

FINANCIAL STATEMENTS

24. RELATED PARTIES DISCLOSURES (CONTINUED)

(b) Outstanding balances with related parties:

Details of the loan from the immediate holding company are disclosed in note 20 to the unaudited condensed financial statements.

Details of the loan from a fellow subsidiary are disclosed in note 18 to the unaudited condensed financial statements.

Details of the Group's amount due to a fellow subsidiary are disclosed in note 17(c) to the unaudited condensed financial statements.

Details of the other receivables under factoring agreement from a connected person as defined under chapter 14A of the Listings Rules are disclosed in note 15(c) to the unaudited condensed financial statements.

(c) Compensation of key management personnel of the Group:

	Six months ended 30 June 2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Short term employee benefits	476	544
Post-employment benefits	9	9
Total compensation paid to key management personnel	485	553