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UNITED ENERGY GROUP LIMITED

聯合能源集團有限公司*

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 467)*

VOLUNTARY ANNOUNCEMENT

On 29 March 2024, UEG Clean Energy, an indirect wholly-owned subsidiary of the Company, entered into the SPA with the Seller with Purchase Price of EUR 37,500,000 (equivalent to approximately HK\$318,750,000) in respect of the purchase 100% of the shares of Green Profit EOOD, thus to acquire indirectly the construction rights and the easement rights over several land plots located in Haskovo region, Bulgaria, and the permits to develop the Simeonovgrad Electricity Generation Facility comprising a 70 MW photovoltaic power facility, the Polyново Electricity Generation Facility comprising a 180 MW photovoltaic power facility, together with the respective ancillary infrastructures and connection facilities on the said land plots.

LISTING RULES IMPLICATIONS ON ENTERING INTO THE SPA

As all applicable percentage ratios in respect of entering into the SPA (on an aggregated basis) do NOT exceed 5%, entering into the SPA does NOT constitute a discloseable transaction for the Company and is NOT subject to the reporting and announcement requirements and is exempt from the Shareholders' approval requirement set out in Chapter 14 of the Listing Rules.

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THE SPA

Date

29 March 2024

Parties

- (1) UEG Clean Energy (an indirect wholly-owned subsidiary of the Company)
- (2) The Seller

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Seller and its ultimate beneficial owners are third parties independent of, and not connected with, the Company and its connected persons as at the date of this announcement.

** For identification purposes only*

Subject matter

Pursuant to the SPA, UEG Clean Energy is to purchase 100% of the shares of Green Profit EOOD, registered with the Bulgarian Commercial Register, thus to acquire indirectly the construction rights and the easement rights over several land plots located in Haskovo region, Bulgaria, and the permits to develop the Simeonovgrad Electricity Generation Facility comprising a 70 MW photovoltaic power facility, the Polyanovo Electricity Generation Facility comprising a 180 MW photovoltaic power facility, together with the respective ancillary infrastructures and connection facilities on the said land plots.

The Group intends to fully realize the Ready-to-Build electricity generation projects post completion of the transaction.

Completion

The completion of the purchase of the shares from the Seller shall be subject to the satisfaction that the Project has achieved a Ready-to-build Stage and other terms set forth in the SPA.

Purchase Price

Subject to the terms and conditions of the SPA, the Purchase Price shall be in the amount of EUR 37,500,000.00 (equivalent to approximately HK\$318,750,000) for 250 MW of total installed power capacity of the Project at completion.

The Purchase Price was determined after arm's length negotiations between the parties with reference to the valuation of the Project. The Purchase Price payable by UEG Clean Energy under the SPA will be funded by the Group's internal resources.

Payment Terms

The Purchase Price will be paid in tranches according to the payment schedule set forth under the SPA.

INFORMATION ABOUT THE PARTIES TO THE SPA

UEG Clean Energy

UEG Clean Energy is a limited liability company incorporated in Cyprus and an indirect wholly-owned subsidiary of the Group. UEG Clean Energy is the holding company for the Group's renewable energy sector in Europe with a goal of expanding solar and wind power generation businesses.

The Seller

The Seller is a seasoned solar developer with extensive experience in the development, commissioning and operation of solar projects in Bulgaria. The Seller is the sole shareholder and director of Green Profit EOOD. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Seller and its ultimate beneficial owner(s) is third party independent of the Company and the connected persons of the Company as at the date of this announcement.

REASONS FOR ENTERING INTO THE SPA

The Group is one of the largest independent upstream oil and gas corporations listed in Hong Kong with diversified portfolio in renewable energy businesses with presence in South Asia, Middle East and North Africa. The Group is principally engaged in the investment and operation of upstream oil, natural gas, other energy related businesses and green energy project development.

Ongoing efforts to improve the legislative and regulatory environment for investment in renewables in line with Bulgaria's ambitious plans to reduce its emissions by 40% by 2025 are bearing some fruit. The country's renewables pipeline is modest but growing, and the Group believes Bulgarian renewables output growing at a fast year-to-year rate.

Bulgaria's commitment to the development of the renewable energy sector has strengthened, and in March 2021 the ESO and the government announced that renewable capacity was expected to double by 2024. The market has outlined intentions to develop an additional 1.6GW of solar, 0.7GW of wind and 0.2GW of biomass. This comes as a new National Energy and Climate Plan (NECP) for the 2021 to 2030 period is launched. The government has also incentivized investment through a tax exemption for new projects under amendments to the Energy Act from January 2021.

The strongest growth is expected in the solar segment, making Bulgaria one of the EU outperformers over the coming years. Coupled with high electricity tariffs, the well-established infrastructures, and attractive fiscal terms puts the project into immediate positive cash flow once commissioned. Post completion of the transaction, the Group intends to launch the construction of the Project and commission Bulgaria's largest solar power generation facility by 2025.

In view of the production growth potential of the Project, the Directors expect that entering into the SPA will be beneficial to the Group and the Board is of the view that the terms of the SPA are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS ON ENTERING INTO THE SPA

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DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of directors of the Company;
“Company”	United Energy Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liabilities, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 467);
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;

“Green Profit EOOD”	a company registered with the Bulgarian Commercial Register in Bulgaria. The Seller is the sole shareholder and director of Green Profit EOOD;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Project”	the purchase 100% of the shares of Green Profit EOOD, thus to acquire indirectly the construction rights and the easement rights over several land plots located in Haskovo region, Bulgaria, and the permits to develop the Simeonovgrad Electricity Generation Facility comprising a 70 MW photovoltaic power facility, the Polyanovo Electricity Generation Facility comprising a 180 MW photovoltaic power facility, together with the respective ancillary infrastructures and connection facilities on the said land plots.
“Purchase Price”	shall mean the amount of EUR 37,500,000.00 (equivalent to approximately HK\$318,750,000) for 250 MW of total installed power capacity of the Project at completion;
“Seller”	Mr. DELCHO NIKOLAEV PEHLIVANOV who is a seasoned solar developer with extensive experience in the development, commissioning and operation of solar projects in Bulgaria. The Seller is the sole shareholder and director of Green Profit EOOD;
“SPA”	a contract entered between UEG Clean Energy and the Seller on 29 March 2024 in respect of the to purchase 100% of the shares of Green Profit EOOD;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“UEG Clean Energy”	UEG CLEAN ENERGY INVESTMENT (CY) LIMITED is a limited liability company incorporated in Cyprus and an indirect wholly-owned subsidiary of the Group.

By order of the Board
United Energy Group Limited
Zhang Hong Wei
Chairman

Hong Kong, 2 April 2024

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Hong Wei (chairman) and Ms. Zhang Meiyang and the independent non-executive directors are Mr. Chau Siu Wai, Mr. San Fung and Ms. Wang Ying.

In this announcement amounts denominated in EUR has been translated into HK\$ at the rate of EUR1.00 = HK\$8.50 for illustration purpose only. No representation is made that any amounts in EUR or HK\$ have been, could have been or could be converted at the above rate or at any other rate or at any other rates or at all.