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雲南實業控股有限公司

YUNNAN ENTERPRISES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0455)

**DESPATCH OF CIRCULAR IN RELATION TO
(1) MAJOR AND CONNECTED TRANSACTION;
(2) APPLICATION FOR WHITEWASH WAIVER;
(3) PROPOSED INCREASE IN AUTHORISED SHARE
CAPITAL; AND
(4) NOTICE OF EGM**

A circular containing, among other things, (i) further information on the Acquisition, the Whitewash Waiver and the proposed increase in authorised share capital of the Company; (ii) the recommendation from the independent board committee of the Company in relation to the Acquisition and the Whitewash Waiver; (iii) the advice from CIMB-GK Securities (HK) Limited to the independent board committee of the Company and the Independent Shareholders in relation to the Acquisition and the Whitewash Waiver; and (iv) other information as required under the Listing Rules and the Takeovers Code together with notice of the EGM will be despatched to the Shareholders on 23 November 2007.

Reference is made to the announcement issued by the Company dated 30 October 2007 (the “**Announcement**”) in relation to, among other things, the Acquisition, the Whitewash Waiver and the proposed increase in authorised share capital of the Company. Terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated.

The Board is pleased to announce that the circular containing, among other things, (i) further information on the Acquisition, the Whitewash Waiver and the proposed increase in authorised share capital of the Company; (ii) the recommendation from the independent board committee of the Company in relation to the Acquisition and the Whitewash Waiver; (iii) the advice from CIMB-GK Securities (HK) Limited to the independent board committee of the Company and the Independent Shareholders in relation to the Acquisition and the Whitewash Waiver; and (iv) other information as required under the Listing Rules and the Takeovers Code together with notice of the EGM will be despatched to the Shareholders on 23 November 2007.

By order of the Board of
Yunnan Enterprises Holdings Limited
Ma Pizhi
Managing Director

Hong Kong, 22 November 2007

As at the date of this announcement, the executive directors of the Company are Mr. Li Suiming, Mr. Ma Pizhi, Mr. Li Guanglin, Mr. Fang Wen Quan, Mr. Liu Huijiang and the independent non-executive directors of the Company are Mr. Ho Wing Fun, Mr. Wu Wen Jing, Benjamin and Mr. Lam Yat Fai.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.