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北京能源國際控股有限公司
Beijing Energy International Holding Co., Ltd.

(Incorporated in Bermuda with limited liability)
(Stock code: 686)

FURTHER ANNOUNCEMENT
PROFIT FORECAST OF THE POTENTIAL DISCLOSEABLE TRANSACTIONS IN RELATION TO THE PROPOSED DISPOSALS OF TARGET EQUITY INTERESTS IN TWO SUBSIDIARIES THROUGH LISTING-FOR-SALES

Reference is made to the announcement of Beijing Energy International Holding Co., Ltd. (the "**Company**") dated 28 October 2022 (the "**Potential Disposals Announcement**") with respect to the potential discloseable transactions in relation to the Proposed Disposals through listing-for-sales on CBEX. Unless otherwise defined in this announcement, capitalized terms used herein shall have the same meanings as those defined in the Potential Disposals Announcement.

COMPLIANCE WITH THE LISTING RULES

As disclosed in the Potential Disposals Announcement, the base prices for Tibet Zangneng and Litang Energy Development are respectively determined with reference to, among others, (i) the appraised value of approximately RMB1,455.1 million with respect to the entire equity interests of Tibet Zangneng pursuant to the valuation report issued by Pan-China Appraisal Co., Ltd.*(北京天健興業資產評估有限公司)(the "**Independent Valuer I**"), an independent valuer, by using the discounted cash flow method under the income approach with 31 December 2021 as the reference date (the "**Valuation Report I**"); and (ii) the appraised value of approximately RMB74.8 million with respect to the entire equity interests of Litang Energy Development pursuant to the valuation report issued by Chaoxi Assets Appraisal Co., Ltd.*(朝曦資產評估有限公司)(the "**Independent Valuer II**", together with the Independent Valuer I, the "**Independent Valuers**"), an independent valuer, by using the discounted cash flow method under the income approach with 30 April 2022 as the reference date (the "**Valuation Report II**", together with the Valuation Report I, the "**Valuation Reports**").

Since the discounted cash flow method under the income approach was adopted by the Independent Valuers in the preparation of the Valuation Reports, such valuations constitute profit forecasts under Rule 14.61 of the Listing Rules. This announcement (the "**Further Announcement**") is made in compliance with Rules 14.60A and 14.62 of the Listing Rules.

ASSUMPTIONS OF VALUATIONS

Pursuant to Rule 14.62(1) of the Listing Rules, details of the principal assumptions, including commercial assumptions, upon which the Valuation Reports were based are as follows:

Valuation Report I

A. General Assumptions

1. Transaction assumption: transaction assumption is to assume that all assets to be evaluated are already in the process of transaction, and the valuers carry out the valuation based on the trading conditions of the assets to be evaluated in a simulated market.

2. Open market assumption: open market assumption is an assumption made on the conditions of the market where the assets are proposed to enter and how the assets will be affected under such market conditions. An open market refers to fully developed and comprehensive market conditions, which means a competitive market with willing buyers and sellers, where buyers and sellers are on equal footing and have opportunity and time to access adequate market information, and where transactions between buyers and sellers are conducted under voluntary, rational, non-compulsory or unrestricted conditions.

3. Continuous use assumption: continuous use assumption is an assumption made on the conditions of the market where the assets are proposed to enter and the status of the assets under such market conditions. Firstly, the assets to be evaluated are in use; and secondly, it is assumed that the assets in use will be used continuously. Under the conditions of continuous use assumption, no consideration is given to the change of use or the best utilisation conditions of the assets. The scope of applicability of the valuation results is subject to limitations.

4. Enterprise going-concern assumption: it is the valuation assumption made on the overall assets of the enterprise as the valuation object. In other words, the enterprise, as an operating entity, will operate as a going concern in accordance with its operation target under the external environment where it operates. The operators of the enterprise are accountable for and capable of assuming responsibilities; the enterprise conducts lawful operations and is able to acquire appropriate profit to maintain its capability of operating as a going concern.

B. Assumptions under income approach

1. There are no significant changes in the relevant prevailing laws, regulations and policies of the PRC, no significant changes in the macro-economic conditions of the PRC and no significant changes in the political, economic and social environment in the regions where the parties to the transaction are located, and no material adverse impact caused by other unforeseeable factors and force majeure.

2. It is assumed that the operators of the enterprise are responsible, and its management is able to perform its duties.

3. Unless otherwise stated, it is assumed that the enterprise fully complies with all relevant laws and regulations.

4. It is assumed that the accounting policies to be adopted in the future by the enterprise are in all material aspects generally consistent with the accounting policies adopted in the compilation of the report.

5. It is assumed that on the basis of the existing management approach and management standard of the enterprise, the scope and approach of business are in line with those of the present.

6. There are no material changes in the interest rates, exchanges rates, tax bases and tax rates, policy levy, etc.

7. There are no other force majeure and unforeseeable factors that may give rise to material adverse impact on the enterprise.

8. Assumption of being provided with lawful, true and complete information: in the course of the valuation, the principal and the evaluated entity provided relevant information on the assets, business and operating conditions of the company to the valuers and the valuation report has been completed on the premise that the information provided by them is lawful, true and complete.

9. It is assumed that the plan of construction of a hydroelectric power station will be carried out in accordance with the investment development plan as provided by the evaluated entity. Batang County Xihe Hydropower Development Co., Ltd.*（巴塘縣溪河水電開發有限責任公司)(a subsidiary of the evaluated entity) is intended to engage in the development and operation of hydropower projects, but has not yet commenced any operation as at the reference date. According to the investment plan provided by the evaluated entity, the estimated commencement date of construction will be March 2024 and estimated commencement date of operation will be July 2028.

10. Tibet Zangneng is engaged in the development and operation of hydropower projects, but has not yet commenced any operation as at the reference date. According to the investment plan provided by the evaluated entity, it is assumed that six hydropower stations are intended to be constructed in the headquarter of Tibet Zangneng located in Chayuqu River Basin（察隅曲流域） in the forthcoming years, with the estimated commencement time of construction to be June 2024 and estimated commencement time of operation to be December 2028. Tibet Linzhi Zangneng Layuequ Hydropower Development Co., Ltd.*（西藏林芝藏能拉月曲水電開發有限責任公司), a subsidiary of Tibet Zangneng, is intended to construct one hydropower station in Layuequ River Basin（拉月曲流域), with the estimated commencement time of construction to be January 2024 and estimated commencement time of operation to be December 2028. Baiyu County Zengquhe Hydropower Development Co., Ltd.*（白玉縣贈曲河水電開發有限公司), a subsidiary of Tibet Zangneng, is intended to construct five hydropower stations in Zengqu River Basin（贈曲流域), with the estimated commencement time of construction to be May 2024 and estimated commencement time of operation to be December 2028. Among the above power stations to be constructed, those to be constructed in Chayuqu River Basin and Layuequ River Basin are located in Tibet region, those to be constructed in Zengqu River Basin are located in Sichuan region, and the electricity price standard thereof shall be implemented according to local standards.

11. It is assumed that the evaluated entity is able to complete the procedures for the transfer of state-owned land according to the development plan, and can successfully acquire the land use right in the future.

12. According to the "Notice of the People's Government of the Tibet Autonomous Region on Appropriately Lowering Partial Electricity Prices" (Zangzhengfa [2020] No. 12) (《西藏自治區人民政府關於適當降低部分銷售電價的通知》(藏政發[2020]12號)) issued by the Xizang Autonomous Region Development and Reform Commission, the tariff of hydropower station (Class I) shall be RMB0.292 per kWh, the tariff of hydropower station (Class II) shall be RMB0.341 per kWh, and the tariff of hydropower station (Class III) shall be RMB0.247 per kWh. According to the investment plan on hydropower stations for the next years provided by the evaluated entity, the installed capacity of the hydropower stations to be invested and constructed is more than 25,000 kilowatts. Therefore, it is assumed that the settlement tariff for the next years will be RMB0.341 per kWh (tax inclusive), and the settlement tariff of the evaluated entity for the next years will maintain at its current level without any change.

13. According to Article 7 of the "Notice of the Sichuan Provincial Development and Reform Commission on Further Lowering the Electricity Prices for General Industrial and Commercial Use of Sichuan Power Grid and Other Related Issues" (Chuanfagai Jiage [2019] No. 257) (《四川省發展和改革委員會關於再次降低四川電網一般工商業用電價格等有關事項的通知》(川發改價格[2019]257號)) by the Sichuan Provincial Development and Reform Commission, the benchmark tariff for hydropower types of "run-of-river", "seasonal adjustment and incomplete annual adjustment" and "annual (or longer) price adjustment" shall be adjusted to RMB0.2974 per kWh, RMB0.338 per kWh and RMB0.3766 per kWh accordingly. The power station designed by the evaluated entity is a run-of-river station, and its on-grid tariff is RMB0.2974 per kWh. Therefore, it is assumed that the settlement tariff of the hydropower stations in Sichuan region for the next years will be RMB0.2974 per kWh (tax inclusive), and the settlement tariff of the evaluated entity for the next years will maintain at its current level without any change.

14. It is assumed that the power generation of the hydropower stations for the next years will be consistent with the expectation of the enterprise, and no material changes will occur.

15. According to requirements of the "Notice of the People's Government of the Tibet Autonomous Region on Adjusting the Collection Scope and Standard of Water Resources Fee" (Zangzhengfa [2015] No. 55) (《西藏自治區人民政府關於調整水資源費徵收範圍和標準的通知》(藏政發[2015]55號)), the water resources fee shall be collected based on the power generation and the standard of RMB0.003 per kWh. According to the "Notice on Adjusting the Collection Standard of Water Resources Fee" (Chuanbanhan [2005] No. 110) (《關於調整水資源費徵收標準的通知》(川辦函[2005]110號)) issued by the General Office of the People's Government of Sichuan Province, the collection standard of water resources fee for hydropower stations is RMB0.0025 per kWh. It is assumed that the collection standard of water resources fee for the next years will remain unchanged.

16. As for the assumption on income tax rate, according to the "Notice of the Continuation of the Enterprise Income Tax Policy Related with the Western Region Development" (MOF Notice 2020 No. 23) (《關於延續西部大開發企業所得稅政策的公告》(財政部公告2020年第23號)) by the Ministry of Finance, State Administration of Taxation and National Development and Reform Commission, enterprise income tax will be levied at a reduced rate of 15% on enterprises located in the western region in the encouraged industries from 1 January 2021 to 31 December 2030. According to the "Several Provisions on the Preferential Policies for Attracting Investments in the Tibet Autonomous Region (Trial)" (《西藏自治區招商引資優惠政策若干規定(試行)》), enterprises shall be exempted from local share of enterprise income tax from 1 January 2018 to 31 December 2021. With the combined effects of the two tax preferences, the effective income tax rate of Tibet Zangneng is 12%. Considering that the provision of "enterprises shall be exempted from local share of enterprise income tax" has been implemented for many years, it is assumed that the above two preferential tax policies could be implemented continuously. According to the "Notice of the Continuation of the Enterprise Income Tax Policy Related with the Western Region Development" (MOF Notice 2020 No. 23) (《關於延續西部大開發企業所得稅政策的公告》(財政部公告2020年第23號)) by the Ministry of Finance, State Administration of Taxation and National Development and Reform Commission, enterprise income tax will be levied at a reduced rate of 15% on enterprises located in the western region in the encouraged industries from 1 January 2021 to 31 December 2030. It is assumed that this preferential tax policy could be implemented continuously. Given that this merger includes some hydropower stations in Tibet region and Sichuan Province, the income tax rate applied in this valuation is determined on the basis of the effective combined income tax rate.

17. It is assumed that the predicted annual cash flows of the hydropower stations of the enterprise are generated evenly, and that interim discounting is adopted in respect of the predicted annual cash flows of the hydropower station companies.

18. It is assumed that there are no force majeure and unforeseeable factors that give rise to material and adverse impact on the evaluated entity.

Valuation Report II

A. Fundamental Assumptions

1. Open market assumption is to assume that the parties to an asset traded or proposed to be traded in the market are on equal footing and have opportunity and time to access adequate market information to make rational judgments as to the function, usage and trading price of the asset;

2. Transaction assumption is to assume that all assets to be evaluated are already in the process of transaction, and the valuers carry out the valuation based on the trading conditions of the assets to be evaluated in a simulated market. Transaction assumption is the most fundamental assumption for asset valuation;

3. Going-concern assumption is to assume that the evaluated entity will not cease operation for any reason in the foreseeable future, but will continue to operate lawfully with its existing assets and resources.

B. General Assumptions

1. It is assumed that there are no significant changes in the relevant prevailing laws, regulations and policies of the PRC, no significant changes in the macro-economic conditions of the PRC and no significant changes in the political, economic and social environment in the regions where the parties to the transaction are located;

2. It is assumed that the enterprise will operate on an ongoing basis in light of the actual conditions of the assets as at the reference date;

3. It is assumed that there will be no material changes to the interest rates, exchange rates, tax bases and tax rates, policy levy, etc., in relation to the evaluated entity after the reference date;

4. It is assumed that the management of the evaluated entity are responsible and stable, and capable of performing their duties after the reference date;

5. Unless otherwise stated, it is assumed that the company fully complies with all relevant laws and regulations;

6. It is assumed that the values of various parameters measured are determined based on the current pricing system, without taking into account the effect of inflation after the reference date;

7. All licenses, use permits, letters of consent or other legal or administrative authorization documents issued by the relevant local, national governmental institutions and bodies, which are required for the asset usage manner referenced in the value appraisal in the valuation report, are in normal and legal use within the validity period as at the reference date. It is assumed that these certificates can be updated or changed at any time upon expiration;

8. It is assumed that there are no force majeure and unforeseeable factors that may give rise to material adverse impact on the evaluated entity after the reference date.

C. Special Assumptions

1. It is assumed that the accounting policies to be adopted after the reference date by the evaluated entity are in all material aspects consistent with the accounting policies adopted in the compilation of this valuation report;

2. It is assumed that on the basis of the existing management approach and management standard of the evaluated entity, the scope and approach of business after the reference date are in line with those of the present;

3. It is assumed that the cash inflows and outflows after the reference date of the evaluated entity occur within the year;

4. It is assumed that the three hydroelectric power stations of Litang Energy Development will be constructed in 2023, completed as planned on schedule, and commence on-grid generation in August 2027, October 2027 and January 2028, respectively;

5. According to Article 7 of the "Notice of the Sichuan Provincial Development and Reform Commission on Further Lowering the Electricity Prices for General Industrial and Commercial Use of Sichuan Power Grid and Other Related Issues" (Chuanfagai Jiage [2019] No. 257) (《四川省發展和改革委員會關於再次降低四川電網一般工商業用電價格等有關事項的通知》(川發改價格[2019]257號)) by the Sichuan Provincial Development and Reform Commission, the benchmark tariff for hydropower types of "run-of-river", "seasonal adjustment and incomplete annual adjustment" and "annual (or longer) price adjustment" shall be adjusted to RMB0.2974 per kWh, RMB0.338 per kWh and RMB0.3766 per kWh accordingly. Therefore, it is assumed that the settlement tariff for the next years will comply with the requirements of such document, and the settlement tariff of the evaluated entity for the next years will maintain at its current level without any change;

6. As for the assumption on income tax rate, according to the "Notice of the Continuation of the Enterprise Income Tax Policy Related with the Western Region Development" (MOF Notice 2020 No. 23) (《關於延續西部大開發企業所得稅政策的公告》(財政部公告2020年第23號)) by the Ministry of Finance, State Administration of Taxation and National Development and Reform Commission, enterprise income tax will be levied at a reduced rate of 15% on enterprises located in the western region in the encouraged industries from 1 January 2021 to 31 December 2030. It is assumed that this preferential tax policy could be implemented continuously;

7. All permits or other legal or administrative authorization documents issued by the relevant local, national governmental institutions and bodies, which are required for the asset usage manner referenced in the value appraisal in the valuation report, are in normal and legal use within the validity period as at the reference date. It is assumed that these certificates can be updated or changed at any time upon expiration.

The Board has reviewed the key assumptions upon which the profit forecast was based and is of the view that the profit forecast was made after due and careful enquiry.

Grant Thornton Hong Kong Limited has been engaged by the Company to review the arithmetical calculation and compilation of the discounted future estimated cash flows upon which the Valuation Reports prepared by the Independent Valuers were based.

A letter from the Board and a report from Grant Thornton Hong Kong Limited are included in the appendices to this announcement for the purposes of Rules 14.60A and 14.62 of the Listing Rules. The following are the qualifications of Grant Thornton Hong Kong Limited and the Independent Valuers:

EXPERTS AND CONSENTS

The qualifications of the experts who have given their opinion and advice in the Further Announcement are as follows:

Name	Qualification
Grant Thornton Hong Kong Limited	Certified Public Accountants
Pan-China Appraisal Co., Ltd.* (北京天健興業資產評估有限公司)	Independent valuer
Chaoxi Assets Appraisal Co., Ltd.* (朝曦資產評估有限公司)	Independent valuer

Each of Grant Thornton Hong Kong Limited and the Independent Valuers has given and has not withdrawn its respective written consent to the publication of the Further Announcement with inclusion of its report/letter and all references to its name (including its qualifications) in the form and context in which they are included.

To the best knowledge, information and belief of the Board and having made all reasonable enquiries, each of Grant Thornton Hong Kong Limited and the Independent Valuers is a third party independent of the Group and is not a connected person of the Group. As at the date of the Further Announcement, neither Grant Thornton Hong Kong Limited nor the Independent Valuers has any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for securities in any member of the Group.

For and on behalf of
Beijing Energy International Holding Co., Ltd.
Zhang Ping
Chairman of the Board

Hong Kong, 16 November 2022

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Ping (Chairman) and Mr. Lu Zhenwei; the non-executive directors of the Company are Mr. Zhao Bing, Mr. Su Yongjian, Mr. Li Hao and Mr. Lu Xiaoyu; and the independent non-executive directors of the Company are Ms. Jin Xinbin, Ms. Li Hongwei and Mr. Zhu Jianbiao.

* *For identification purposes only*

The following is the text of a report received from the Company's reporting accountants, Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong, for inclusion in this announcement.

The Board of Directors
Beijing Energy International Holding Co., Ltd.
Unit 1012, 10th Floor
West Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

16 November 2022

Dear Sirs

REPORT ON CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF THE EQUITY INTERESTS IN TIBET ZANGNENG CORPORATION AND LITANG COUNTY ENERGY DEVELOPMENT CO., LTD. (THE "TARGET COMPANIES")

To the board of directors of Beijing Energy International Holding Co., Ltd. (the "Company")

We have examined the calculations of the discounted future estimated cash flows on which the valuation dated 1 July 2022 prepared by Pan-China Appraisal Co., Ltd. in respect of the equity interest in Tibet Zangneng Corporation as at 31 December 2021 and valuation dated 9 June 2022 prepared by Chaoxi Assets Appraisal Co., Ltd. in respect of the equity interest in Litang County Energy Development Co., Ltd. as at 30 April 2022 are based (the "**Valuations**"). The Valuations based on the discounted future estimated cash flows are regarded as profit forecasts under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and reference to the Valuations will be included in an announcement dated 16 November 2022 issued by the Company in connection with proposed disposal of the Target Companies (the "**Announcement**").

Directors' responsibilities

The directors of the Company are responsible for the reasonableness and validity of the assumptions (the "**Assumptions**"), based on which the discounted future estimated cash flows and the Valuations are prepared.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

It is our responsibility to form an opinion on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuations is based and to report solely to you, as a body, as required by Rule 14.62(2) of the Listing Rules, and for no other purpose. The discounted future estimated cash flows does not involve the adoption of accounting policies. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the arithmetical calculations are concerned, have been properly compiled in accordance with the Assumptions.

Our work does not constitute any valuation of the equity interests in the Target Companies. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuations and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects in accordance with the Assumptions.

Grant Thornton Hong Kong Limited
Certified Public Accountants

Hong Kong

16 November 2022

Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square
8 Connaught Place, Central, Hong Kong

Dear Sirs,

POTENTIAL DISCLOSEABLE TRANSACTIONS – PROPOSED DISPOSALS OF TARGET EQUITY INTERESTS IN TWO SUBSIDIARIES THROUGH LISTING-FOR-SALES

We refer to the announcement of Beijing Energy International Holding Co., Ltd. (the "**Company**") dated 28 October 2022 in relation to the captioned transactions. Unless the context otherwise requires, terms defined in the announcement shall have the same meanings in this letter when used herein.

We refer to (i) the valuation report dated 1 July 2022 prepared by Pan-China Appraisal Co., Ltd.* (北京天健興業資產評估有限公司)(the "**Independent Valuer I**"), an independent valuer, which shows that the appraised value of the entire equity interest in Tibet Zangneng is approximately RMB1,455.1 million based on the income approach (the "**Valuation Report I**"); and (ii) the valuation report dated 9 June 2022 prepared by Chaoxi Assets Appraisal Co., Ltd.*(朝曦資產評估有限公司)(the "**Independent Valuer II**", together with the Independent Valuer I, the "**Independent Valuers**"), an independent valuer, which shows that the appraised value of the entire equity interest in Litang Energy Development is approximately RMB74.8 million based on the income approach (the "**Valuation Report II**", together with the Valuation Report I, the "**Valuation Reports**"). The aforesaid valuations of Tibet Zangneng and Litang Energy Development (the "**Valuations**") are regarded as profit forecasts under Rule 14.61 of the Listing Rules (the "**Forecasts**").

We hereby confirm that we have considered various aspects including the bases and assumptions based upon which the discounted cash flows in the Valuations have been prepared, and reviewed the Valuations for which the Independent Valuers are responsible. We have also reviewed the calculations for the discounted cash flows in the Valuation Reports. We have also considered the report from Grant Thornton Hong Kong Limited, the auditor of the Company, as set out in Appendix I to the further announcement dated 16 November 2022 regarding the calculations of the discounted cash flows in the Valuations upon which the Forecasts have been made.

On the basis of the foregoing, in accordance with the requirements of Rule 14.62(3) of the Listing Rules, we confirmed that the Forecasts have been made after due and careful enquiry by us.

Yours faithfully,
For and on behalf of the Board
Beijing Energy International Holding Co., Ltd.
Zhang Ping
Chairman of the Board

* *For identification purpose only*