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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION OF ACQUISITION OF THE ENTIRE EQUITY INTERESTS IN THE TARGET COMPANY OWNING A WIND POWER PROJECT IN VIETNAM

Reference is made to the announcement of Beijing Energy International Holding Co., Ltd. (the "**Company**") dated 14 December 2022 in relation to the discloseable transaction involving the Acquisition of the entire equity interests in the Target Company owning a wind power project in Vietnam (the "**Announcement**"). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board wishes to provide the Shareholders and potential investors with additional information in relation to the Announcement as follows:

BASIS OF THE CONSIDERATION

In addition to the basis of the consideration as disclosed in the Announcement, the Board would like to supplement that:

The consideration under the Share Purchase Agreement was determined after arm's length negotiation between the Group and the Vendor (for itself and on behalf of the Other Vendors) after considering various factors, including (i) the financial performance of the Target Company, such as the unaudited net asset of the Target Company as at 31 October 2022 of approximately VND625,311 million; (ii) the waiver of the payment of the existing shareholders' loans by the Target Company to the Vendor (for itself and on behalf of the Other Vendors) in the amount of approximately VND41,700 million; (iii) the unaudited net profit of the Target Company for the one month ended 30 November 2022 of approximately VND1,118 million; and (iv) the prospects of the business activities of the Target Company.

INFORMATION OF THE TARGET COMPANY

The wind power generation project owned by the Target Company commenced operations on 27 October 2021.

Based on the management accounts of the Target Company, the Target Company recorded unaudited profit before taxation and after taxation of approximately VND11,455 million and VND11,455 million, respectively, for the 11 months ended 30 November 2022.

The profit of the Target Company in 2022 was negatively affected by several factors, among which was the impact of the resurgence of COVID-19 during 2022 in Vietnam which resulted in the reduction in power consumption.

When considering the prospects of the business activities of the Target Company, the Board has taken into account the favourable geographical location of the wind power generation project operated by the Target Company. The wind power generation project is located in Gia Lai Province, which is a mountainous area in the Central Highlands region of Vietnam. The Board has also taken into account the favourable government policies promulgated and/or expected to be promulgated by the government of Vietnam, including but not limited to the implementation of feed-in tariffs for wind power projects, and grant of certain preferential treatment to investors in wind power projects in terms of investment credit, corporate income taxes, and land lease and environmental protection fees, which strongly encourage the development of sources of renewable energy and provide stable and strong demand for the services provided by the Target Company.

As disclosed in the Announcement, the Acquisition represents an important milestone in entering the Vietnamese market. The Board believes that there is strong growth potential for the expansion into the renewable energy sector in Vietnam and considers the Acquisition as a key stepping stone.

Based on the above and as disclosed in the Announcement, the Directors are of the view that the Consideration is fair and reasonable and in the interests of the Shareholders as a whole.

EARN-OUT PAYMENT

As disclosed in the Announcement, within three consecutive years after the date of Completion, the Earn-out Payment of up to an aggregate of approximately VND178,216.5 million shall be payable by the Purchaser to the Vendor with respect to each calculation period, being one year. The Milestone Payments shall only be made upon the satisfaction of the aggregate generation hours for wind turbines of the Target Company equalling or exceeding 2,200 hours per calculation period (i.e. a Milestone Event). The actual amount of each Milestone Payment shall be determined with reference to the aggregate generation hours for wind turbines of the Target Company on an annual basis. Details of each Milestone Payment and the corresponding Milestone Event are as follows:

Milestone Payments (approximate amount)	**Milestone Events**
VND5,400.5 million	Upon the aggregate generation hours for wind turbines of the Target Company equalling or exceeding 2,200 hour/year but is less than 2,300 hour/year
VND11,572.5 million	Upon the aggregate generation hours for wind turbines of the Target Company equalling or exceeding 2,300 hour/year but is less than 2,400 hour/year
VND18,516 million	Upon the aggregate generation hours for wind turbines of the Target Company equalling or exceeding 2,400 hour/year but is less than 2,500 hour/year
VND27,774 million	Upon the aggregate generation hours for wind turbines of the Target Company equalling or exceeding 2,500 hour/year but is less than 2,600 hour/year
VND38,575 million	Upon the aggregate generation hours for wind turbines of the Target Company equalling or exceeding 2,600 hour/year but is less than 2,630 hour/year
VND40,889.5 million	Upon the aggregate generation hours for wind turbines of the Target Company equalling or exceeding 2,630 hour/year but is less than 2,700 hour/year

Milestone Payments (approximate amount)	Milestone Events
VND50,147.5 million	Upon the aggregate generation hours for wind turbines of the Target Company equalling or exceeding 2,700 hour/year but is less than 2,800 hour/year
VND59,405.5 million	Upon the aggregate generation hours for wind turbines of the Target Company equalling or exceeding 2,800 hour/year

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

Hong Kong, 21 December 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.