THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Beijing Energy International Holding Co., Ltd.**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

京能集团

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)

MAJOR TRANSACTION
EXERCISE OF CALL OPTIONS AND ACQUISITION OF 26% EQUITY INTEREST IN THE TARGET COMPANIES
AND
NOTICE OF SPECIAL GENERAL MEETING

A notice convening a SGM to be held at Taishan Room, Level 5, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Tuesday, 27 June 2023 at 11:30 a.m. (or immediately after the conclusion of the annual general meeting of the Company to be convened at the same place and date at 11:00 a.m., whichever is later) is set out on pages 284-285 of this circular.

A form of proxy for the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

9 June 2023

CONTENTS

In this circular, unless the context specifies otherwise, the following expressions shall have the meanings stated below:

"Accountants' Reports"	the accountants' reports of Target Company (North), Target Company (South) and Moorabool Interface prepared by EY Australia, details of which are set forth in Appendix IIA, Appendix IIB and Appendix IIC of this circular
"Acquisition"	the acquisition of 26% of the issued share capital in each of the Target Companies by the Purchaser from the respective Vendors
"Adjustment Amount"	the amount equal to 26% of the difference between the estimated and actual working capital of the Target Group, plus the net debt amount of the Target Group, and less the estimated net debt amount of the Target Group (the net debt amount, if less than AUD0, will be expressed as a negative number), as further described in the "Letter from the Board – 2. Major transaction in relation to exercise of call options and acquisition of 26% equity interest in the Target Companies – The Acquisition – Consideration and payment" of this circular
"AUD"	Australian dollars, the lawful currency of Australia
"BEH"	Beijing Energy Holding Co., Ltd.*（北京能源集團有限責任公司）, a company established in the PRC with limited liability and a controlling Shareholder holding 7,176,943,498 Shares, representing approximately 32.04% of the issued share capital of the Company as at the Latest Practicable Date
"Board"	the board of Directors
"Business Day(s)"	a day which is not a Saturday, Sunday or a public holiday in Victoria, Australia

"Call Option Deeds"	Collectively, (i) the call option deed dated 20 December 2022 granted by the Vendor (North) to Purchaser, under which Vendor (North) irrevocably grants to the Purchaser (or any other person nominated by the Purchaser) an option for the Purchaser to purchase, and require Vendor (North) to sell to the Purchaser, 26% of the issued share capital of Target Company (North); and (ii) the call option deed dated 20 December 2022 granted by the Vendor (South) to Purchaser, under which Vendor (South) irrevocably grants to the Purchaser (or any other person nominated by the Purchaser) an option for the Purchaser to purchase, and require the Vendor (South) to sell to the Purchaser, 26% of the issued share capital in Target Company (South)
"Call Options"	the irrevocably rights of the Purchaser to purchase from, and to require the respective Vendors to sell, 26% of the issued share capital in each of the Target Companies pursuant to the respective Call Option Deeds
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Company"	Beijing Energy International Holding Co., Ltd., a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange (stock code: 686)
"Completion"	the completion of the Acquisition
"Completion Date"	the date on which Completion takes place
"Consideration"	the aggregate consideration for the Acquisition, being approximately AUD196.5 million, which is subject to adjustments
"Director(s)"	the director(s) of the Company
"Effective Time"	11:59 p.m. on the day immediately prior to the Completion Date
"Enlarged Group"	the Group and the Target Group
"EY Australia"	Ernst & Young Australia, being the independent reporting accountants report on the historical financial information of the Target Group

"Goldwind"	Xinjiang Goldwind Science & Technology Co., Ltd.*（新疆金風科技股份有限公司）, a joint stock limited company incorporated in the PRC, the H shares of which are listed on the main board of the Stock Exchange (stock code: 2208) and the A shares of which are listed on the Shenzhen Stock Exchange (stock code: 002202.SZ)
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	party or parties that, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is or are not our connected person(s), within the meaning of the Listing Rules
"Latest Practicable Date"	5 June 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Moorabool Interface"	Moorabool Wind Farm Interface Company Pty Ltd, a company incorporated in Australia with limited liability and is held as to 50% by Project Company (North) and 50% by Project Company (South)
"Moorabool North Wind Farm"	the Moorabool wind farm located in Moorabool, Victoria, Australia with an installed capacity of 150MW
"Moorabool South Wind Farm"	the Moorabool wind farm located in Moorabool, Victoria, Australia with an installed capacity of 162MW
"Moorabool Wind Farm"	collectively, Moorabool North Wind Farm and Moorabool South Wind Farm
"MW"	megawatt(s), which equals 1,000,000 watts
"MWh"	magawatt-hour(s)

"Nebras"	Nebras Power Australia Pty Ltd, a company incorporated in Australia with limited liability and an Independent Third Party
"Notices of Exercise"	collectively, Notice of Exercise (North) and Notice of Exercise (South)
"Notice of Exercise (North)"	the notice of exercise of call options to be executed by the Purchaser and issued to the Vendor (North) in relation to the exercise of Call Options pursuant to the Call Option Deeds in respect of the acquisition of 26% of the issued share capital in Target Company (North)
"Notice of Exercise (South)"	the notice of exercise of call options to be executed by the Purchaser and issued to the Vendor (South) in relation to the exercise of Call Options pursuant to the Call Option Deeds in respect of the acquisition of 26% of the issued share capital in Target Company (South)
"PRC"	the People's Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this circular
"Previous Acquisition"	the acquisition of 25% of the issued share capital in each of the Target Companies by the Purchaser from the respective Vendors
"Previous Announcement"	the announcement of the Company dated 20 December 2022 in relation to the Previous Acquisition of 25% of the issued share capital in each of the Target Companies by the Purchaser from the respective Vendors and the granting of the Call Options by the Vendors to the Purchaser to require the respective Vendors to sell, 26% of the issued share capital in each of the Target Companies pursuant to the Call Option Deeds
"Project Company (North)"	Moorabool Wind Farm Pty Ltd, a company incorporated in Australia with limited liability and a direct wholly-owned subsidiary of Target Company (North)
"Project Company (South)"	Moorabool South Wind Farm Pty Ltd, a company incorporated in Australia with limited liability and a direct wholly-owned subsidiary of Target Company (South)

"Purchaser"	MNS Wind Finance Pty Ltd, a company incorporated in the Australia with limited liability and an indirect wholly-owned subsidiary of the Company
"Sale and Purchase Agreements"	collectively, Sale and Purchase Agreement (North) and Sale and Purchase Agreement (South), each a "Sale and Purchase Agreement"
"Sale and Purchase Agreement (North)"	the sale and purchase agreement to be entered into between the Purchaser and the Vendor (North) for the exercise of Call Options pursuant to the Call Option Deeds in respect of the acquisition of 26% of the issued share capital in Target Company (North)
"Sale and Purchase Agreement (South)"	the sale and purchase agreement to be entered into between the Purchaser and the Vendor (South) for the exercise of Call Options pursuant to the Call Option Deeds in respect of the acquisition of 26% of the issued share capital in Target Company (South)
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SGM" or "Special General Meeting"	the special general meeting of the Company to be held at Taishan Room, Level 5, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Tuesday, 27 June 2023 at 11:30 a.m. (or immediately after the conclusion of the annual general meeting of the Company to be convened at the same place and date at 11:00 a.m., whichever is later) or any adjournment thereof, and the notice of which is attached to this circular
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules

"Target Companies"	collectively, Target Company (North) and Target Company (South), each a "Target Company"
"Target Company (North)"	Moorabool Wind Farm (Holding) Pty Ltd, a company incorporated in Australia with limited liability
"Target Company (South)"	Moorabool South Wind Farm (Holding) Pty Ltd, a company incorporated in Australia with limited liability
"Target Group"	the Target Companies, their respective subsidiaries (i.e., the Project Company (North) and Project Company (South)), Moorabool Interface and Moorabool Wind Farm
"Valuer"	RSM Corporate Australia Pty Ltd
"Valuation Report"	the reports dated 24 May 2023 prepared by the Valuer on the indicative fair valuation of Target Company (North) and Target Company (South) as at 31 December 2022 using the discounted cash flow method of the income approach
"Vendors"	collectively, Vendor (North) and Vendor (South), each a "Vendor"
"Vendor Group Debt"	the amount owed by the Target Companies to the Vendors and/or its related bodies corporate as at the Effective Time, but excludes any amounts between the Target Companies
"Vendor Group Debt Amount"	26% of the amount of the Vendor Group Debt
"Vendor (North)"	Goldwind International Moorabool Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Goldwind
"Vendor (South)"	Goldwind International Moorabool South Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Goldwind
"%"	per cent

* *In this circular, the English names of the PRC entities are translations of their Chinese names and included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.*

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)

Executive Directors:
Mr. Zhang Ping *(Chairman)*
Mr. Lu Zhenwei

Non-executive Directors:
Mr. Liu Guoxi
Mr. Su Yongjian
Mr. Li Hao
Mr. Lu Xiaoyu

Independent Non-executive Directors:
Ms. Jin Xinbin
Ms. Li Hongwei
Mr. Zhu Jianbiao

Registered Office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal Place of Business in Hong Kong:
Unit 1012, 10/F.
West Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

9 June 2023

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION
EXERCISE OF CALL OPTIONS AND ACQUISITION OF 26% EQUITY INTEREST IN THE TARGET COMPANIES
AND
NOTICE OF SPECIAL GENERAL MEETING

1. INTRODUCTION

References are made to the Previous Announcement dated 20 December 2022 and the announcement of the Company dated 27 April 2023 in relation to, among other things, (i) the Previous Acquisition of 25% of the issued share capital in each of the Target Companies by the Purchaser from the respective Vendors; (ii) the granting of the Call Options by the Vendors to the Purchaser to require the respective Vendors to sell, 26% of the issued share capital in each of the Target Companies pursuant to the Call Option Deeds; and (iii) the exercise of the Call Options and the Acquisition of 26% of the issued share capital in each of the Target Companies by the Purchaser from the respective Vendors.

The purpose of this circular is to provide you with, among other things, (i) details of the Acquisition and the transactions contemplated thereunder; (ii) financial information of the Group and the Target Group; (iii) unaudited pro forma financial information of the Enlarged Group; (iv) the Valuation Report of the Target Companies; (v) other information as required under the Listing Rules; and (vi) the notice of SGM, to enable you to make an informed decision on whether to vote for or against the resolution proposed at the SGM.

2. MAJOR TRANSACTION IN RELATION TO EXERCISE OF CALL OPTIONS AND ACQUISITION OF 26% EQUITY INTEREST IN THE TARGET COMPANIES

On 27 April 2023 (after trading hours), the Purchaser has notified the Vendors that it has decided to exercise the Call Options to acquire 26% of the issued share capital in each of the Target Companies. The Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, 26% of the issued share capital in each of the Target Companies for a total consideration of approximately AUD196.5 million.

The Acquisition

The principal terms of the Acquisition agreed by the Purchaser and the Vendors are summarized below:

Date: 27 April 2023 (after trading hours)

Parties:
(i) The Purchaser
(ii) The Vendor (North) and the Vendor (South)

As at the Latest Practicable Date, the Previous Acquisition has been completed and the Group is interested in 25% of the issued share capital of the Target Companies. Other than the abovementioned shareholding relationship, to the best of the Director's knowledge, information and belief having made all reasonable enquires, each of the Vendors and their ultimate beneficial owner (i.e., Goldwind) is an Independent Third Party as at the Latest Practicable Date.

Subject matter

The Purchaser conditionally agreed to purchase, and the respective Vendors have conditionally agreed to sell, 26% of the issued share capital in each of the Target Companies.

Consideration and payment

It is intended by the Purchaser and the Vendors that the Acquisition shall be on a "cash free and debt free" basis, but on the condition that the Group would take up and settle the Vendor Group Debt Amount and subject to the Adjustment Amount. The total payment amount of the Consideration at the Completion is estimated to be approximately AUD196.5 million. Such amount shall be settled in cash by the Purchaser upon the Completion.

The Adjustment Amount shall be equivalent to 26% of the difference between the estimated and actual working capital of the Target Group, plus the net debt amount of the Target Group and less the estimated net debt amount of the Target Group. Among others:

(i) the estimated working capital amount of the Target Group shall be the Vendor's reasonable estimate of the actual working capital amount of the Target Group and notified to the Purchaser no later than five Business Days before the Completion;

(ii) the actual working capital amount of the Target Group shall be the amount of the working capital of the Target Group as at the Effective Time, as shown in the financial completion balance sheet of the Target Group to be provided by the Vendors;

(iii) the actual net debt amount of the Target Group shall be the aggregation of (a) the actual cash amount of the Target Group as at the Effective Time, as shown in the financial completion balance sheet of the Target Group to be provided by the Vendors, and (b) the actual debt amount of the Target Group as at the Effective Time, as shown in the financial completion balance sheet of the Target Group to be provided by the Vendors; and

(iv) the estimated net debt amount of the Target Group shall be the Vendor's reasonable estimate of the actual net debt amount of the Target Group and notified to the Purchaser no later than five Business Days before the Completion.

As at the Latest Practicable Date, based on the Vendors' calculation and assuming the Adjustment Amount is nil:

(i) the payment amount of the consideration in relation to the acquisition of 26% of the issued share capital of Target Company (North) is approximately AUD94.4 million, comprises (a) the 26%-net asset value of the Target Company (North) of approximately AUD43.3 million; and (b) the Vendor Group Debt Amount of the Target Company (North) of approximately AUD51.1 million; and

(ii) the payment amount of the consideration in relation to the acquisition of 26% of the issued share capital of Target Company (South) is approximately AUD102.1 million, comprises (a) the 26%-net asset value of the Target Company (South) of approximately AUD45.0 million; and (b) the Vendor Group Debt Amount of the Target Company (South) of AUD57.1 million.

Within 30 Business Days after the Completion Date, the Vendors must prepare the completion balance sheet and completion statement for the Target Group for the purpose of the determination of the Adjustment Amount. Within 15 Business Days after the Adjustment Amount is agreed among the parties, the Adjustment Amount must be paid:

(i) by the Purchaser to the Vendor if the Adjustment Amount results in the Consideration being adjusted upwards; or

(ii) by the Vendor to the Purchaser if the Adjustment Amount results in the Consideration being adjusted downwards.

The Group currently expects to finance the Consideration by way of utilising the Group's internal resources and external financing.

Basis of the Consideration

As disclosed above, it is intended by the Purchaser and the Vendors that the Acquisition shall be on a "cash free and debt free" basis, but on the condition that the Group would take up and settle the Vendor Group Debt Amount and subject to the Adjustment Amount. Accordingly, the Consideration was determined after arm's length negotiation between the Purchaser and the Vendors after considering various factors, among others, (i) the working capital amount of the Target Group, (ii) the amount of Vendor Group Debt incurred, (iii) the historical financial performance of the Target Companies, especially for the year ended 31 December 2022, (iv) the historical construction costs of the Moorabool Wind Farm incurred by the Vendors, (v) the revenue expected to be generated by the Target Group in the forthcoming years, (vi) the prospects of the wind farm industry in Australia, (vii) the recent market movements in electricity prices and long term expectations in the Group's risk assessment, as well as (viii) other factors set out in the paragraphs under "Reasons for and Benefits of the Acquisition" below. Furthermore, in determining the Consideration, the Company has engaged the Valuer to prepare the Valuation Report. See the Valuation Report set out in Appendix VA and Appendix VB to this circular for further details.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion is subject to the following conditions precedent being fulfilled:

(i) the Company satisfying all the relevant legal and regulatory requirements, including but not limited to the Shareholders' approval as required under the Listing Rules;

(ii) the Purchaser being satisfied that there has been no change of any relevant circumstances; and

(iii) the Purchaser issuing the Notices of Exercise pursuant to the Call Option Deeds, together with completed Sale and Purchase Agreements.

Completion

Subject to the compliance with the requirements under all applicable laws and regulations (including the approval by the Shareholders as required under the Listing Rules), the Completion will take place on the 10th Business Day after the date of the Sale and Purchase Agreements, or such other date as the respective Vendors and Purchaser may agree in writing. Upon Completion, the Target Companies will be owned as to 51% by the Company and become the Company's indirect non-wholly owned subsidiaries.

Indemnity

The respective Vendors agreed to indemnify the Purchaser against, and must reimburse and compensate the Purchaser for, among others, certain tax liabilities of the Target Group up to and including the Completion Date, subject to the terms and limitations set forth in the Sale and Purchase Agreements.

Notices of Exercise and Sale and Purchase Agreements

The Purchaser will issue the Notices of Exercise pursuant to the Call Option Deeds to the respective Vendors; and the Sale and Purchase Agreements reflecting the terms of the Acquisition agreed between the Purchaser and the Vendors will be entered into between the Purchaser and the respective Vendors.

Valuation Report

The fair valuation of Moorabool Wind Farm as at 31 December 2022 assessed in the Valuation Report was prepared using the discounted cash flow method of the income approach. As a result, such valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules. The Valuation has been undertaken on the basis of market value. Market value refers to the estimated amount for which an asset should exchange, on the date of valuation, between a willing buyer and a willing seller in an arms' length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. According to the Valuation Report, the indicative valuation of Moorabool Wind Farm reflects the equity in the legal entities being sold by the Vendors and the midpoint of the appraised total equity value amounted to approximately AUD336.9 million and the appraised total enterprise value amounted to approximately AUD788.3 million.

The Company took into account the appraised total equity value of approximately AUD336.9 million when determining the Consideration. The appraised total equity value implies that the value of 26% equity interest of the Target Group is AUD87.6 million, which is considered to be comparable to the 26% – net asset value of the Target Group as at the Latest Practicable Date (i.e. AUD88.3 million). After taking into account of the estimated net working capital and net cash of the Target Group upon Completion, the Purchaser and the Vendors agreed to use the 26% – net asset value of the Target Group as at the Latest Practicable Date (i.e. AUD88.3 million) as the basis of the Consideration. Furthermore, based on the best estimates, the Purchaser and the Vendors estimated that the Vendor Group Debt Amount would be AUD108.2 million upon Completion. As such, the Consideration for the acquisition of 26% equity interest of the Target Group upon Completion would be approximately AUD196.5 million. Based on the above factors taken into account when determining the Consideration and other factors set out in the paragraph under "Reasons for and Benefits of the Acquisition" below, our Directors are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assumptions

Details of the key assumptions upon which the Valuation Report was issued are set out below:

General assumptions

1. The indicative valuation reflects the equity in the legal entities being sold by Goldwind. The Valuer has not incorporated factors specific to the deal structure of the Acquisition.

2. Open market assumption: Both parties of the Acquisition are assumed to be in equal position for the assets to be traded or proposed to be traded in the market, where opportunities and time are available for both to access adequate market information, in order to make rational judgements on the functions, uses and transaction prices of the assets.

3. Going concern assumption: The appraised entity is assumed to fully comply with all relevant laws and regulations and will operate sustainably in the useful life of machinery and equipment.

Special assumptions

4. The valuation regards the specific valuation purpose of the Acquisition as its premises of basic assumptions.

5. The valuation assumes the full accountability of the Target Companies' management team in the future, the existing business management mode are kept, and the business scope and approach remain consistent with the forecast direction.

6. The valuation assumes the valued assets are in continuous use according to the present use and its mode, size, frequency and environment of use, without taking into account the respective optimal use of each asset.

7. It is assumed that, on top of the existing management mode and management level, there will be no material adverse impacts on the Target Companies arising from other force majeure and unforeseeable factors.

8. The relevant basic information and financial information provided by the Company are true, accurate and complete.

9. The valuation is only based on the financial information provided by the Company, without taking into account the possible contingent assets and contingent liabilities outside of the list provided by the Company.

10. The financial report and transaction data of the comparable companies which the Valuation Report relies on are true and reliable.

11. The valuation assumes the Target Companies would obtain a net cashflow evenly during a forecast period.

Confirmations

Grant Thornton Hong Kong Limited, being the Company's auditor, has reviewed and reported to the Directors in respect of the compilation of the discounted future cash flows in connection with the valuation of the Target Companies prepared by the Valuer used in the Valuation Report, which do not involve the adoption of accounting policies.

The Directors confirm that the fair valuation of Moorabool Wind Farm as at 31 December 2022 in the Valuation Report, which constitutes a profit forecast under Rule 14.61 of the Listing Rules, has been made after due and careful enquiry. A report from Grant Thornton Hong Kong Limited in compliance with Rule 14.62(2) of the Listing Rules and a letter from the Board in compliance with Rule 14.62(3) of the Listing Rules are included in Appendix VI to this circular.

3. INFORMATION ABOUT THE PARTIES TO THE ACQUISITION

Information about the Group and the Purchaser

The Company is a limited liability company incorporated in Bermuda, whose shares are listed on the main board of the Stock Exchange (stock code: 686), and is an investment holding company operating its business through its subsidiaries. The Group is principally engaged in the development, investment, operation and management of power plants and other clean energy projects.

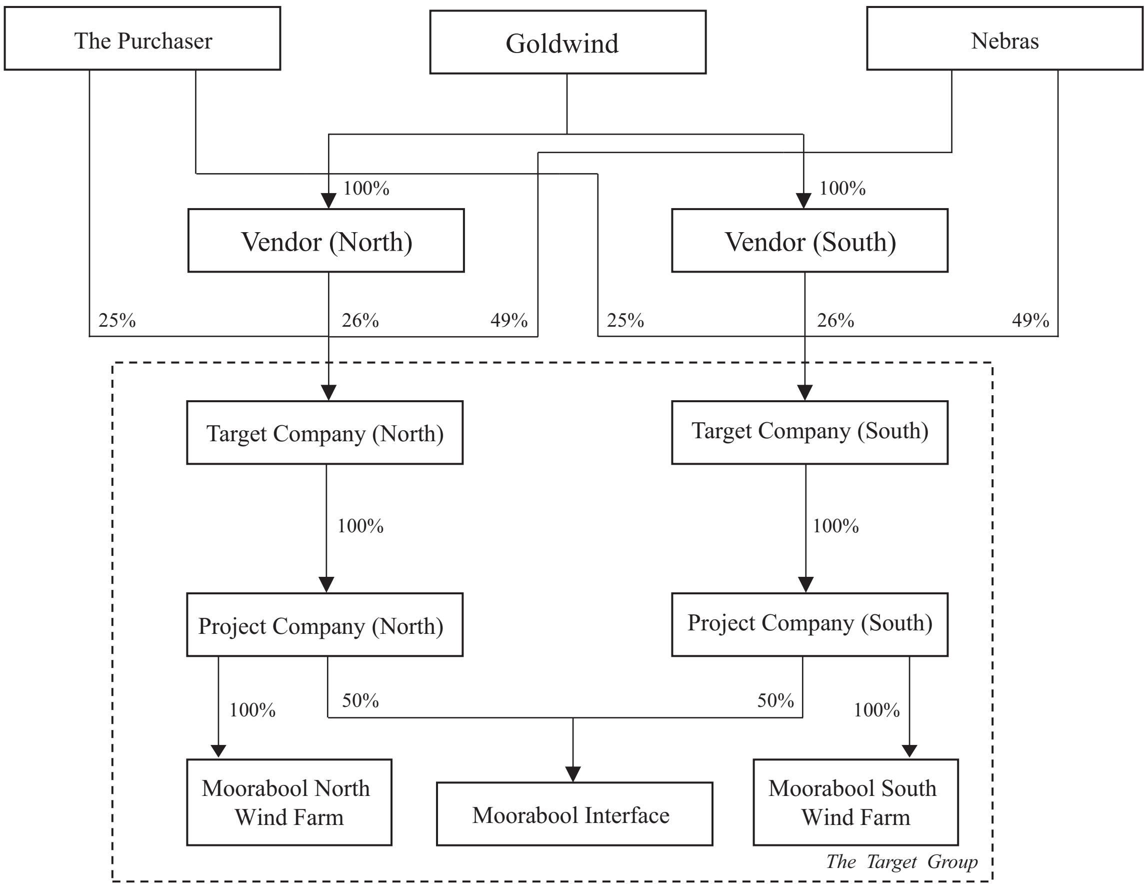
The Purchaser is a company incorporated in Australia with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in, among others, wind farm investment and development in Australia.

Information about the Target Companies

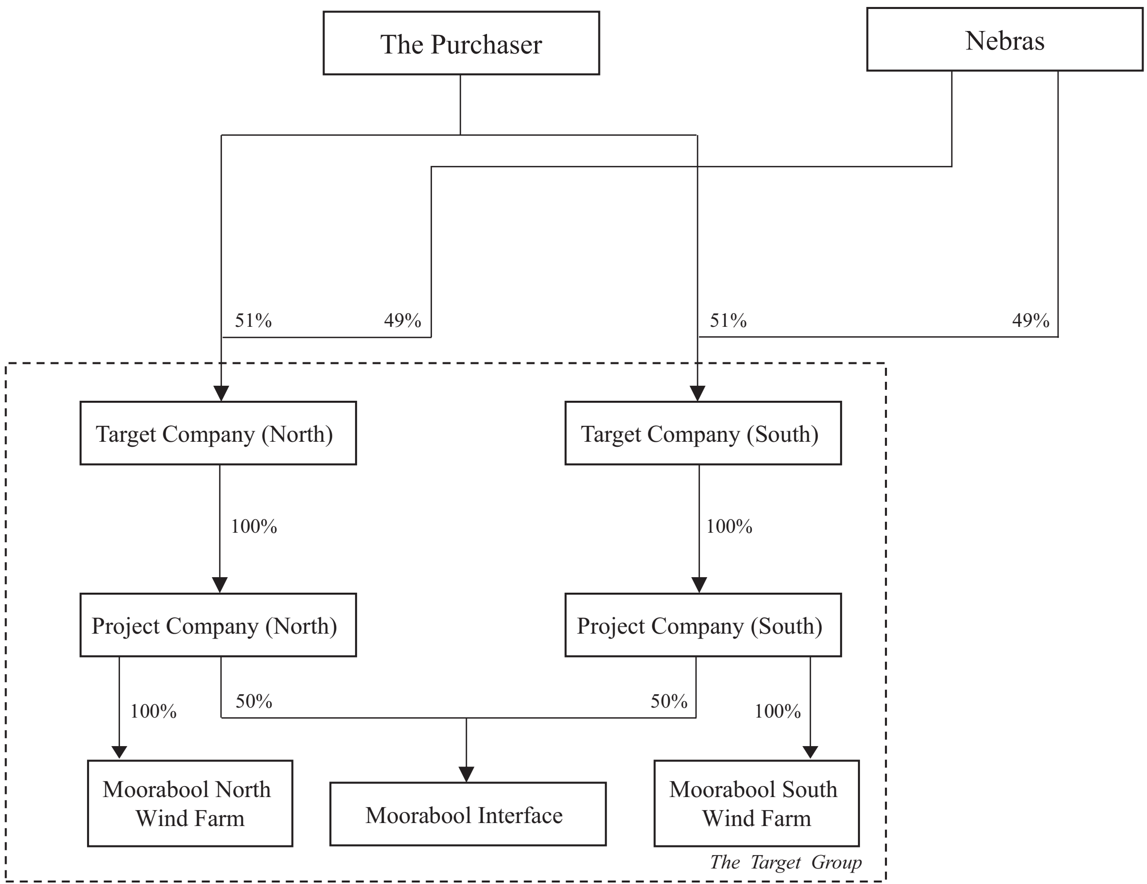
Each of the Target Company (North) and the Target Company (South) is a company incorporated in Australia and principally engaged in wind farm development, construction, operation and maintenance. Target Company (North) and Target Company (South) hold the entire issued share capital of the Project Company (North) and Project Company (South), which in turn hold Moorabool North Wind Farm and Moorabool South Wind Farm, respectively. As at the Latest Practicable Date, the Target Companies are directly held by the respective Vendors as to 26%, by the Purchaser as to 25%, and by Nebras as to 49%.

Set out below is the simplified shareholding structure of the Target Companies as at the Latest Practicable Date and immediately following the Completion:

The simplified shareholding structure of the Target Companies as at the Latest Practicable Date



The simplified shareholding structure of the Target Companies immediately following the Completion



Moorabool Wind Farm is situated in the western region of Victoria, Australia. Moorabool Wind Farm comprises (i) Moorabool North Wind Farm, which is a wind farm located at Moorabool, Victoria, Australia with a total installed capacity of 150MW; and (ii) Moorabool South Wind Farm, which is a wind farm located at Moorabool, Victoria, Australia with a total installed capacity of 162MW. Moorabool North Wind Farm commenced commercial operation from 24 June 2022 and Moorabool South Wind Farm commenced commercial operation from 21 September 2022.

Set out below is the profit/(loss) before and after taxation of the Target Companies and Moorabool Interface for the years ended 31 December 2020, 2021 and 2022 according to their respective audited consolidated accounts:

Target Company (North)	**For the year ended 31 December**		
	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
	(audited)	(audited)	(audited)
Profit/(loss) before taxation	–	7,427	26,756
Profit/(loss) after taxation	(5,669)	3,734	17,073

The audited net asset value of the Target Company (North) as at 31 December 2022 was approximately AUD123.6 million.

Target Company (South)	**For the year ended 31 December**		
	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
	(audited)	(audited)	(audited)
Profit/(loss) before taxation	(5)	(7)	30,691
Profit/(loss) after taxation	(6,470)	596	17,841

The audited net asset value of the Target Company (South) as at 31 December 2022 was approximately AUD127.6 million.

Moorabool Interface	**For the year ended 31 December**		
	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
	(audited)	(audited)	(audited)
Profit/(loss) before taxation	–	–	7
Profit/(loss) after taxation	–	–	5

The audited net asset value of Moorabool Interface as at 31 December 2022 was approximately AUD0.2 million.

Information of the Vendors

Vendor (North) is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of Goldwind. Vendor (North) is mainly engaged in investment holding.

Vendor (South) is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of Goldwind. Vendor (South) is mainly engaged in investment holding.

Goldwind is a joint stock limited company established in the PRC, the H shares of which are listed on the main board of the Stock Exchange (stock code: 2208) and the A shares of which are listed on the Shenzhen Stock Exchange (stock code: 002202.SZ). Goldwind and its subsidiaries are mainly engaged in the research and development of wind turbine generators, manufacturing and sales, wind power services, and wind farm investment and development.

4. FINANCIAL EFFECTS OF THE ACQUISITION

Earnings

Upon Completion, the Target Companies will be owned as to 51% by the Company and become the Company's indirect non-wholly owned subsidiaries. The financial information of the Target Companies will be consolidated into the financial statements of the Group. As set out in the Accountants' Reports in Appendix IIA, Appendix IIB and Appendix IIC to this circular, the Target Group recorded a net profit after tax of approximately AUD34.9 million for the year ended 31 December 2022. Based on the prospect of the Target Group, the Directors are of the opinion that the Acquisition will have a positive impact on the Enlarged Group's long-term performance.

Assets and liabilities

Based on the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular, which is prepared to illustrate the effect of the Acquisition on the Group's financial position as at 31 December 2022 as if the Acquisition had taken place on 31 December 2022, it is expected that the total assets of the Enlarged Group would increase by approximately RMB2,355 million and its total liabilities would increase by approximately RMB1,633 million. Hence, an increase in the net assets of the Enlarged Group by approximately RMB722 million is expected as a result of the Completion.

The above analysis is for illustrative purpose only and does not purport to represent how the financial performance and position of the Group would actually be after Completion.

5. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group, principally engaged in the development, investment, operation and management of power plants and other clean energy projects, has been identifying suitable investment opportunities to acquire clean energy projects with good prospects and potential for stable returns.

The Board is of the view that the Acquisition will be complementary to the Group's existing clean power plant portfolio and enables the Group to further expand its scale of business in the clean energy sector to enhance return to the Shareholders. The Acquisition is therefore considered by the Board to be a good opportunity to expand the Group's existing clean energy business. Having considered (i) Moorabool North Wind Farm and Moorabool South Wind Farm first generated electricity while undergoing testing and commissioning in January 2021 and April 2022, respectively; (ii) Moorabool North Wind Farm and Moorabool South Wind Farm commenced grid connected power generation from 24 June 2022 and 21 September 2022, respectively; (iii) Target Company (North) and Target Company (South) recorded operating revenue of approximately AUD43.3 million and AUD45.3 million for the year ended 31 December 2022; and (iv) Target Company (North) and Target Company (South) recorded profit before income tax of approximately AUD26.8 million and AUD30.7 million for the year ended 31 December 2022, the Board believes that the Target Group has a reasonable potential to create new overseas income streams for the Company in the future. In addition, as the Board has noticed the recent upward movements in the National Electricity Market (which comprised of various physically connected regions on the east coast of Australia), the Board holds an optimistic view towards the prospects of the wind farm industry in Australia in long run.

The Directors (including the independent non-executive Directors) consider that the Acquisition was negotiated on normal commercial terms, and the terms and conditions of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

6. LISTING RULES IMPLICATIONS

The Acquisition, together with the Previous Acquisition, constitute a series of transactions made within a 12-month period and shall be aggregated pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio in respect of the Acquisition, when aggregated with those under the Previous Acquisition, exceeds 25% but is less than 100%, the Acquisition, when aggregated with the Previous Acquisition, constitutes a major transaction of the Company and is subject to the notification, announcement, circular and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

7. WAIVER FROM STRICT COMPLIANCE WITH THE REQUIREMENT SET OUT IN RULE 4.03 OF THE LISTING RULES

Pursuant to Rule 4.03 of the Listing Rules, any accountants' report to be included in a circular must normally be prepared by certified public accountants who are qualified under the Professional Accountants Ordinance ("**PAO**") for appointment as auditors of a company. It is however provided under Rule 4.03(2) of the Listing Rules that in the case of an extreme transaction or a major transaction circular issued by a listed issuer in connection with the acquisition of an overseas company, the Stock Exchange may be prepared to permit the accountants' report to be prepared by a firm of practising accountants that is not qualified under the PAO but which is acceptable to the Exchange. Such a firm must normally: (a) have an international name and reputation; (b) be a member of a recognised body of accountants; and (c) be subject to independent oversight by a regulatory body of a jurisdiction that is a full signatory to the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information ("**IOSCO MMOU**"). It would be acceptable if the relevant audit oversight body is not a signatory to the IOSCO MMOU but the securities regulator in the same jurisdiction is a full signatory to the IOSCO MMOU.

Also, pursuant to Rule 14.67(6)(a)(i) of the Listing Rules, the financial information of the target company must be prepared using accounting policies which should be materially consistent with those of the listed issuer.

Moreover, pursuant to Rule 4.11 of the Listing Rules, the financial history of results and the balance sheet included in the accountants' report must normally be drawn in conformity with (a) Hong Kong Financial Reporting Standards ("**HKFRS**"), (b) International Financial Reporting Standards ("**IFRS**"), or China Accounting Standards for Business Enterprises ("**CASBE**") in the case of a PRC issuer that has adopted CASBE for the preparation of its annual financial statements.

The Company proposed to engage EY Australia, which is not registered under the PAO, to prepare the Accountants' Reports as required under Rule 14.67(6) of the Listing Rules. The Stock Exchange has granted a waiver from strict compliance with Rule 4.03 of the Listing Rules to allow EY Australia to prepare the Accountants' Reports on the following grounds and conditions:

(i) EY Australia is an internationally recognised accounting firm and supervised and regulated by the Australian Securities and Investments Commission ("**ASIC**"), which is a current signatory of the IOSCO MMOU. ASIC is an independent government body of Australia and is the national regulator of corporate, markets and financial services in Australia. ASIC is responsible for the following functions:

   (a) to register companies and manage investment schemes;

   (b) to grant Australian financial services licences and Australian credit licences;

(c) to register auditors and liquidators;

(d) to grant relief from various provisions of the legislation which it administers;

(e) to maintain publicly accessible registers of information about companies, financial services licensees and credit licensees;

(f) to make rules aimed at ensuring the integrity of financial markets;

(g) to stop the issue of financial products under defective disclosure documents;

(h) to investigate suspected breaches of the law and, in so doing, require people to produce books or answer questions at an examination;

(i) to issue infringement notices in relation to alleged breaches of some laws;

(j) to ban people from engaging in credit activities or providing financial services;

(k) to seek civil penalties from the courts; and

(l) to commence prosecutions.

(ii) All EY Australia audit partners are members of the local accountancy body of Chartered Accountants Australia and New Zealand ("**CAANZ**"). CAANZ is a member of the Global Accounting Alliance ("**GAA**"). The public accountancy profession in Australia is independently regulated by GAA and ASIC.

(iii) The Target Group comprises companies in Australia, key financial reporting staff and accounting work papers of the Target Group are primarily located in Australia. EY Australia had previously served as the auditor of the Target Companies for 2017 to 2019 and is therefore familiar with the books and records and business operation of the Target Group from its previous years of service. The relevant audit team of EY Australia is familiar with and also has geographical proximity to the relevant personnel and records of the Target Group. The Company therefore considers that it would be unduly burdensome, impractical, costly and inefficient to engage another accountant qualified under the PAO (whom is not the current auditor of the Target Companies) to prepare the Accountants' Reports.

(iv) The Accountants' Reports would be prepared in accordance with the IFRS, and the Company understands that there are no material differences between IFRS and HKFRS, being the accounting standard adopted by the Company. Furthermore, engagement quality control reviewer as an additional reviewer will be assigned by EY Australia as required to review the Accountants' Reports. Ernst & Young will assign its internal quality control team members who are familiar with the Companies Ordinance and the Listing Rules to assist EY Australia in reviewing the historical financial information to be included in the Accountants' Report to ensure the disclosure requirements under the Companies Ordinance and the applicable provisions of the Listing Rules are duly complied with.

(v) EY Australia (with the assistance of the internal quality team members of Ernst & Young) will also assist the Company in ensuring the disclosure requirements of the Companies Ordinance, the applicable provisions of the Listing Rules and the requirements of the relevant accounting standards are duly complied with in respect of the historical financial information to be included in the Accountants' Reports.

(vi) EY Australia is independent of both the Group and the Target Group as required under the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

8. SPECIAL GENERAL MEETING

A notice convening the SGM is set out on pages 284-285 of this circular, at which the ordinary resolution will be proposed for the Shareholders to consider, and if thought fit, to approve the Notices of Exercise and the Sale and Purchase Agreements, and the transactions contemplated thereunder.

A form of proxy for use at the SGM is enclosed to this circular and such form of proxy is also published on websites of the HKEXnews (http://www.hkexnews.hk) and the Company (http://www.bjei.com). In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Shareholders has any material interest in the Acquisition. Therefore, no Shareholder is required to abstain from voting at the SGM in respect of the ordinary resolution approving execution of the Notices of Exercise, as well as the Sale and Purchase Agreements and the transactions contemplated thereunder.

9. VOTING BY WAY OF POLL

According to Rule 13.39(4) of the Listing Rules, all votes of shareholders at a general meeting must be taken by poll, except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all the resolutions put to the vote at the SGM will be taken by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

10. RECOMMENDATION

The Board considers that the terms of the Sale and Purchase Agreements are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution to be proposed in respect of approving the Notices of Exercise and the Sale and Purchase Agreements.

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

1. FINANCIAL INFORMATION OF THE GROUP

The published audited consolidated financial statements of the Group for each of the three years ended 31 December 2020, 2021 and 2022 are disclosed in the following documents, which can be accessed on both the websites of the HKEXnews (http://www.hkexnews.hk) and the Company (http://www.bjei.com).

(i) Annual report of the Company for the year ended 31 December 2020 (pages 86-178), which can be accessed via the link at:

https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0422/2021042200401.pdf

(ii) Annual report of the Company for the year ended 31 December 2021 (pages 127-294), which can be accessed via the link at:

https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0421/2022042100465.pdf

(iii) Annual report of the Company for the year ended 31 December 2022 (pages 143-322), which can be accessed via the link at:

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0424/2023042401355.pdf

2. STATEMENT OF INDEBTEDNESS OF THE ENLARGED GROUP

Indebtedness

As at the close of business on 30 April 2023, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group and the Target Group had the following indebtedness:

	The Group	**The Target Group**	**Total**
	RMB'million	*RMB'million*	*RMB'million*
Bank borrowings			
Secured and with guarantee	4,973	–	4,973
Secured and without guarantee	3,860	–	3,860
Unsecured and with guarantee	7,109	–	7,109
Unsecured and without guarantee	20,134	–	20,134

	The Group	The Target Group	Total
	RMB'million	*RMB'million*	*RMB'million*
Finance lease liabilities			
Secured and with guarantee	2,818	–	2,818
Secured and without guarantee	5,392	–	5,392
Unsecured and without guarantee	303	–	303
Other borrowings			
Secured and without guarantee	110	–	110
Unsecured and without guarantee	60	1,990	2,050
Convertible bonds			
Unsecured and without guarantee	355	–	355
	45,114	1,990	47,104

Save as aforesaid and apart from intra-group liabilities, the Group did not have any debt securities issued and outstanding, and authorized or otherwise created but unissued, or any material outstanding loan capital, bank overdrafts, loans, mortgages, charges or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments, guarantees or any other actual or material contingent liabilities outstanding at the close of business on 30 April 2023, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular.

3. CONTINGENT LIABILITIES

As at the Latest Practicable Date, the Group had no significant contingent liabilities.

4. SUFFICIENCY OF WORKING CAPITAL

Taking into account the financial effects of the Acquisition and the financial resources available to the Enlarged Group, including internally generated funds, the existing cash and bank balances, bank borrowings, available banking facilities and credit enhancement guarantee from BEH, a controlling Shareholder holding approximately 32.04% of the issued share capital of the Company as at the Latest Practicable Date, in the absence of any unforeseen circumstances, the Directors, after due and careful enquiry, are of the opinion that the Enlarged Group will have sufficient working capital for its present requirements for at least the next 12 months from the date of the circular.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there has not been any material adverse change in the financial or operation position or outlook of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

6. FINANCIAL AND OPERATION PROSPECTS OF THE GROUP

The Group is primarily engaged in the development, investment, operation and management of power plants and other clean energy projects.

As at 31 December 2022, the Group had 125 power plants with an aggregate grid-connected installed capacity of approximately 5,603.44MW in the PRC. The Group had well-diversified its solar and wind power plants in the PRC in 23 different provinces during the year ended 31 December 2022. In addition, as at 31 December 2022, the Group also held 2 solar power plants and 1 wind power plant through its associates with a total grid-connected installed capacity of approximately 223.80MW.

Looking forward, with the strong support of BEH, the Group will further focus on its main business. It will fully leverage the opportunity of the transition of energy structure to a clean and low-carbon model and its rapid development and determine the main line of business development. Meanwhile, the Group will coordinate domestic and overseas market resources to optimise assets allocation, and realise scale expansion and intensive development of photovoltaic power and wind power and other new energy businesses. In addition to the rapid development of existing new energy businesses, the Group will keep up with the industry's high-tech and new technology development trends, and actively promote the combination of energy and data by capturing new opportunities arising from the clean energy industry ecosystem. Furthermore, it will mainly focus on integrated energy business with the focus placed on big data, and integrate various types of resources including distributed energy, energy storage and hydrogen energy and user loads. It will research and promote the multi-energy complementary integrated services and terminal energy solutions based on renewable energy. By realising the business optimisation transformation and sustainable healthy development of the Group through value creation, it will be in the best interests of the Group and its Shareholders.

The following is the text of accountants' report, prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants, Ernst & Young Australia.

Building a better working world

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF MOORABOOL WIND FARM (HOLDING) PTY LTD AND ITS SUBSIDIARY TO THE DIRECTORS OF BEIJING ENERGY INTERNATIONAL HOLDING CO., LTD.

Introduction

We report on the historical financial information of Moorabool Wind Farm (Holding) Pty Ltd (the "**Target Company**") and its subsidiary (collectively, the "**Target Group**") set out on pages 30 to 76, which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Target Group for each of the years ended 31 December 2020, 2021 and 2022 (the "**Relevant Periods**"), and the consolidated statement of financial position of the Target Group and the statement of financial position of the Target Company as at 31 December 2020, 2021 and 2022, and a summary of significant accounting policies and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages 30 to 76 forms an integral part of this report, which has been prepared for inclusion in the circular of Beijing Energy International Holding Co., Ltd. (the "**Company**") dated 9 June 2023 (the "**Circular**") in connection with the proposed acquisition of the equity interests in the Target Company to achieve 51% ownership by the Company.

Directors' Responsibility for the Historical Financial Information

The directors of the Target Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2.1 to the Historical Financial Information, and for such internal control as the directors of the Target Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Report on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountant ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Target Group and the Target Company as at 31 December 2020, 2021 and 2022, and of the financial performance and cash flows of the Target Group for each of the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Adjustments

The Historical Financial Information is stated after making such adjustments to the Historical Financial Statements as defined on page 30 as were considered necessary.

Ernst & Young
Sydney, Australia

9 June 2023

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The Historical Financial Information in this report was prepared based on the previously issued financial statements of the Target Group for the Relevant Periods. The previously issued financial statements were audited by *Deloitte Touche Tohmatsu* in accordance with the requirement of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncement issued by Australian Accounting Standard Board (AASB) (the "**Historical Financial Statements**").

The Historical Financial Information is presented in Australian Dollar ("**AUD**") and all values are rounded to the nearest thousand (AUD'000) except when otherwise indicated.

(A) CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		
		2020	**2021**	**2022**
	Notes	*AUD'000*	*AUD'000*	*AUD'000*
Revenue	*4*	–	14,261	43,334
Cost of sales		–	(6,830)	(15,445)
Other revenue		2	–	2
Gross profit		2	7,431	27,891
Finance costs	*5*	(1)	(1)	(1,090)
Finance income		–	–	7
Administrative expense		(1)	(3)	(52)
Profit before income tax		–	7,427	26,756
Income tax expense	*6*	(5,669)	(3,693)	(9,683)
		(5,669)	3,734	17,073
Other comprehensive income				
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):				
Net gain/(loss) on cash flow hedges		(788)	–	–
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		(788)	–	–
Profit/(loss) and total comprehensive income for the year		(6,457)	3,734	17,073

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

(B) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2020 AUD'000	2021 AUD'000	2022 AUD'000
CURRENT ASSETS				
Cash	7	215	2,084	11
Advances to suppliers		–	–	231
Large-scale generation certificates	8	–	–	1,613
Trade and other receivables	9	2,285	2,539	476
Loans receivable	10	101	1,270	–
TOTAL CURRENT ASSETS		2,601	5,893	2,331
NON-CURRENT ASSETS				
Property, plant and equipment	11	326,165	336,826	335,363
Intangible assets	12	9,054	8,652	8,250
Investment in joint venture	13	100	100	100
Right-of-use assets	14	33,265	31,928	30,591
TOTAL NON-CURRENT ASSETS		368,584	377,506	374,304
TOTAL ASSETS		371,185	383,399	376,635
CURRENT LIABILITIES				
Trade and other payables	15	56,055	49,798	650
Borrowings	16	167,562	181,548	196,604
Lease liabilities	14	741	805	821
TOTAL CURRENT LIABILITIES		224,358	232,151	198,075
NON-CURRENT LIABILITIES				
Lease liabilities	14	12,170	11,980	11,765
Restoration provision	17	22,650	23,397	24,169
Deferred tax liabilities	6	7,668	8,056	19,028
Derivatives	18	861	–	–
TOTAL NON-CURRENT LIABILITIES		43,349	43,433	54,962
TOTAL LIABILITIES		267,707	275,584	253,037
NET ASSETS		103,478	107,815	123,598
EQUITY				
Issued capital	19	109,800	109,800	109,800
Cash flow hedge reserve	19	(603)	–	–
Other reserves	20	–	–	(1,290)
(Accumulated losses)/Retained earnings		(5,719)	(1,985)	15,088
TOTAL EQUITY		103,478	107,815	123,598

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

(C) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital *AUD'000*	Cash flow hedge reserve *AUD'000*	Other reserves *AUD'000*	Retained earnings *AUD'000*	Total equity *AUD'000*
At 1 January 2020	84,991	185	–	(50)	85,126
Loss for the year	–	–	–	(5,669)	(5,669)
Other comprehensive income	–	(788)	–	–	(788)
Total comprehensive income for the year	–	(788)	–	(5,669)	(6,457)
Shares issued from debt to equity swap	12,559	–	–	–	12,559
Issue of shares	12,250	–	–	–	12,250
At 31 December 2020	109,800	(603)	–	(5,719)	103,478
At 1 January 2021	109,800	(603)	–	(5,719)	103,478
Profit for the year	–	–	–	3,734	3,734
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the year	–	–	–	3,734	3,734
Transfer of cash flow hedge reserve to construction in progress	–	603	–	–	603
At 31 December 2021	109,800	–	–	(1,985)	107,815
At 1 January 2022	109,800	–	–	(1,985)	107,815
Profit for the year	–	–	–	17,073	17,073
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the year	–	–	–	17,073	17,073
Deemed equity transaction with owners of the business	–	–	(1,290)	–	(1,290)
At 31 December 2022	109,800	–	(1,290)	15,088	123,598

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

(D) CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended 31 December		
		2020	2021	2022
	Notes	*AUD'000*	*AUD'000*	*AUD'000*
OPERATING ACTIVITIES				
Receipt from customer		2	15,687	47,669
Payments to suppliers		(3)	(9,468)	(9,675)
Interest paid		(1)	–	(315)
Interest received		1	–	7
Payment of taxes and surcharges		–	–	(1,151)
Net cash flow (used) in/from operating activities		(1)	6,219	36,535
INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		–	2,644	–
Interest paid		(621)	(615)	(290)
Purchase of property, plant and equipment		(6,183)	(20,044)	(54,443)
Net cash flows used in investing activities		(6,804)	(18,015)	(54,733)
FINANCING ACTIVITIES				
Proceeds from issue of share capital		12,250	–	–
Payment of principal portion of lease liabilities		(113)	(126)	(200)
Repayment of borrowings		(13,918)	(150,088)	–
Proceeds from loan from related parties		10,849	163,879	128,806
Repayment of loan from related parties		(2,311)	–	(112,481)
Net cash flows from financing activities		6,757	13,665	16,125
Net increase/(decrease) in cash and cash equivalents		(48)	1,869	(2,073)
Cash and cash equivalents at 1 January		263	215	2,084
Cash and cash equivalents at 31 December		215	2,084	11

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

(E) STATEMENT OF FINANCIAL POSITION

	Year ended 31 December		
	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
CURRENT ASSETS	6,483	6,484	6,485
NON-CURRENT ASSETS	112,507	112,506	112,298
TOTAL ASSETS	118,990	118,990	118,783
CURRENT LIABILITIES	9,192	9,193	9,226
NON-CURRENT LIABILITIES	–	–	–
TOTAL LIABILITIES	9,192	9,193	9,226
EQUITY			
Issued capital	109,800	109,800	109,800
Accumulated losses	(2)	(3)	(243)
TOTAL EQUITY	109,798	109,797	109,557

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION OF THE TARGET COMPANY

1. GENERAL INFORMATION

Moorabool Wind Farm (Holding) Pty Ltd (the "**Target Company**") is a for-profit company limited by shares incorporated in Australia. The immediate parent of Moorabool Wind Farm (Holding) Pty Ltd is Goldwind International Moorabool Limited, a company registered in China, while the ultimate parent company is Xinjiang Goldwind Science & Technology Co., Ltd., a company registered in China.

The registered office and principal place of business of the Target Group is Level 25, Tower 1 International Towers Sydney, 100 Barangaroo Avenue, Barangaroo, NSW 2000.

The nature of the operations and principal activity of the Target Group is development, operation and maintenance of wind farm. In 2020 and 2021, the Moorabool Wind Farm was under construction. It commenced commercial operations in 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

The Historical Financial Information set out to this report, has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). All IFRSs effective for the accounting period commencing from 1 January 2022, together with the relevant transitional provisions, have been early adopted by the Target Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The measurement bases are fully described in the accounting policies below. The Historical Financial Information is presented in Australian Dollar (AUD), rounded to the nearest thousand (AUD'000) except when otherwise indicated, which is also the functional currency of the Target Group.

Going Concern

The Historical Financial Information have been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

As at 31 December 2022, the Target Group's consolidated total current liabilities exceeded consolidated total current assets by AUD195,744,574 (2021: net current liability of AUD226,259,043). Included in consolidated current liabilities is a loan from Goldwind International Holdings (HK) Limited (the immediate parent) of AUD100,267,968, and a shareholder loan from Nebras Power Australia Pty Ltd of AUD96,335,891 (see Note 21(b)).

The directors of the Company had made an assessment and concluded the Target Group is able to continue as a going concern and will have sufficient financial resources to support its current operations and to meet its financial obligations as and when they fall due for at least the next twelve months from the end of the reporting period, having regard to (i) the Target Group's forecasted cash positions; and (ii) the financial support received from the existing shareholders before the proposed acquisition of 26% equity interest in the Target Company by the Company (the "**Acquisition**") and from the new shareholders after the Acquisition, confirming that while shareholder loans are repayable on demand, they will not call for repayment of the loans for at least 12 months from the date of approval of these historical financial information if doing so would cause the Target Group not to be able to continue as a going concern. Consequently, the Historical Financial Information have been prepared on a going concern basis.

2.2 Basis of consolidation

The Historical Financial Information comprise the financial statements of the Target Company and its subsidiary for each of the years ended 31 December 2020, 2021 and 2022 (the "**Relevant Periods**"). Subsidiaries are all those entities over which the Target Company has control. Control is achieved when the Target Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Target Company controls an investee if, and only if, the Target Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

If the Target Company loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 Summary of significant accounting policies

(a) New and amended standards and interpretations

The Target Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(b) Current versus non-current classification

The Target Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Target Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(c) Revenue recognition

The Target Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Target Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Target Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

(i) Sale of electricity

Revenue is earned from the sale of electricity generated from the Moorabool Wind Farm. Revenue from electricity sales is recognised when the electricity is generated and connected to the grid and the Target Group attains the right to be compensated.

(ii) Large-scale Generation Certificates (LGCs)

A Large-scale Generation Certificate (LGC) represents 1MWh of generation from renewable energy generators in Australia. For generation from Moorabool Wind Farm, LGC revenue is recognised at fair value as LGCs are granted by the energy market regulator.

LGCs generated by Moorabool Wind Farm have been registered with the Clean Energy Regulator by Moorabool Wind Farm Interface Company Pty Ltd ("**MWFIN**") to transact, as the registered market generator of Moorabool Wind Farm, with the energy market regulator on behalf of the Target Group.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Contract balances

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Target Group performs by transferring goods to a customer before the customer pays considerations or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(d) Property, plant and equipment

Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Target Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Wind turbine and mast	25 years
Other capital equipment	4-20 years
Control building and infrastructure	40 years

The residual value, useful live and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Construction in progress

Construction in progress pertains to capitalised expenditure related to the development and construction of the Moorabool Wind Farm. Development expenditures on an individual project are recognised as an asset when the Target Group can demonstrate:

a. The technical feasibility of completing the intangible asset so that asset will be available for use or sale;

b. Its intension to complete and its ability and intension to use or sell the asset;

c. How the asset will generate future economic benefits;

d. The availability of resources to complete the asset; and

e. The ability to measure reliably the expenditure during the development.

Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is transferred to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal (ie at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

(e) Intangible assets

Intangible assets acquired separately and with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The useful lives of intangible assets of the Target Group are assessed as follows:

Development rights	25 years

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

(f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised into the cost of the asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(g) Impairment of non-financial assets

The Target Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Target Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Target Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Target Group's CGUs to which the individual assets are allocated. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income as an expense.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Target Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(h) Financial assets

(i) Classification

The Target Group classifies its financial assets at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Target Group's business model for managing them.

(ii) Measurement

The Target Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Target Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies of revenue from contacts with customers in Note 2.3(c).

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Target Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

(iii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a. Financial assets at amortised cost (debt instruments)

b. Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instrument)

c. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

d. Financial assets at fair value through profit or loss

The Target Group measures financial assets at amortised cost if both of the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Target Group's financial assets at amortised cost includes trade and other receivables and loans to related parties.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, investment income and interest income.

(iv) Impairment

The Target Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Target Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Target Group applies a simplified approach in calculating ECLs. Therefore, the Target Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Target Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Target Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Target Group may also consider a financial asset to be in default when internal or external information indicates that the Target Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Target Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(i) Financial liabilities

(i) Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Target Group's financial liabilities include trade and other payables, borrowings.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

(j) Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash at bank.

(k) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the EIR method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Target Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(l) *Derivative financial instruments and hedge accounting*

Initial recognition and subsequent measurement

The Target Group uses derivative financial instruments, such interest rate swaps, to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Target Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Target Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Target Group actually hedges and the quantity of the hedging instrument that the Target Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability as a basis adjustment.

(m) Fair value measurement

The Target Group measures financial instruments such as derivatives at fair value at each balance sheet date.

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Target Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Target Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Target Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of Relevant Period.

(n) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Target Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the end of each Relevant Periods in the countries where the Target Group operates and generates taxable income.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it reflects new information obtained about facts and circumstances that exist at the acquisition date that, if known, would have affected the amount recognised at that date during the measurement period, or recognised in profit or loss.

The Target Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax consolidation

The Target Group and its Australian related entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax consolidated group is Goldwind Australia Pty Ltd.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the "separate taxpayer within the group" approach by reference to the carrying amounts of assets and liabilities either in the separate financial statements of each entity or at the level of tax consolidated group and the tax bases applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are initially recognised during the period to the extent that they are recoverable by the group, whether as a reduction of the current tax of other entities in the group or as a deferred tax asset of the head entity in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Target Group as an equity contribution or distribution.

Where several entities in a tax consolidated group derive tax losses/credits in the same period but the aggregate amount of the tax losses/credits are not expected to be utilised as a reduction of a current tax liability or be recognised as a deferred tax asset by the head entity, the aggregate amount expected to be utilised or recognised is apportioned on a systematic and reasonable basis between those entities for their initial tax-loss/tax-credit deferred tax asset recognition.

Nature of tax funding arrangements and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) are at call.

The Target Group exited the tax-consolidated group on 22 December 2022 following the acquisition of 49% equity interests in the Target Group by Nebras Power Australia Pty Ltd. All inter-entity receivables/(payables) with the head entity as at that date were waived and treated as deemed transaction with owners of the business, with the corresponding impact taken to equity for the Relevant Period ended 31 December 2022.

Goods and services tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except:

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable

- When receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

(q) Leases

(i) Definition of a lease and the Target Group *as a lessee*

The Target Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To apply this definition, the Target Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Target Group;

- the Target Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and

- the Target Group has the right to direct the use of the identified asset throughout the period of use. The Target Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Target Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Target Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(ii) Measurement and recognition of Right-of use-assets

The Target Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Right to access land	25 years

If ownership of the leased asset transfers to the Target Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (d) impairment of non-financial assets.

In the Historical Financial Information, the Target Group's right-of-use assets are presented separately in consolidated statement of financial position.

(iii) Measurement and recognition of leases as a lessee

At the commencement date of the lease, the Target Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Target Group and payments of penalties for terminating the lease, if the lease term reflects the Target Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Target Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. In the Historical Financial Information, the Target Group's lease liabilities are presented separately in consolidated statement of financial position.

(iv) Short-term leases and leases of low-value assets

The Target Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short- term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(r) Restoration provision

The Target Group records the present value of the estimated cost of legal and constructive obligations to rehabilitate lease areas as a restoration provision, initially in the period in which the obligation is incurred. The nature of restoration activities includes dismantling and removing structures, dismantling operating facilities, closure of plant, and restoration, reclamation and revegetation of affected areas. When the liability is initially recorded, the present value of the estimated cost is capitalised by increasing the carrying amount of the related leased assets. Over time, the discounted liability is increased for the change in the present value based on a discount rate, where appropriate. Additional disturbances or changes in restoration costs will be recognised as additions or changes to the corresponding asset and restoration liability when incurred. The unwinding of the effect of discounting the provision is recorded as a finance charge in the profit or loss. The carrying amount capitalised as part of leased assets is depreciated or amortised over the life of the related asset.

(s) Related parties

For the purposes of the Historical Financial Information, a party is considered to be related to the Target Group if:

(a) the party, is a person or a close member of that person's family and if that person,

(i) has control or joint control over the Target Group;

(ii) has significant influence over the Target Group; or

(iii) is a member of the key management personnel of the Target Group or of a parent of the Target Group.

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Target Group are members of the same group.

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) the entity and the Target Group are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Group or an entity related to the Target Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Target Group or to the parent of the Target Group.

(ix) Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the Historical Financial Information requires Target Group to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed below.

The key assumptions concerning the future and other key sources of estimation uncertainty at each relevant period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Target Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Target Group. Such changes are reflected in the assumptions when they occur.

(a) Fair value measurement hierarchy

The Target Group is required to classify all assets and liabilities, measured at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement (See Note 2.3(m)).

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

The Target Group accounted for interest rate swaps as derivative contracts in accordance with financial instrument requirements.

The following table summarises the methods used to estimate fair value.

Instrument	Fair value level	Fair value methodology
Interest rate derivative contracts	2	Discounts the present value of the estimated future cash flows using the applicable observable market yield curves having regard to timing of cash flows.

(b) Restoration provision

Significant estimates and assumptions are made in determining the restoration provision as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at balance date represents management's best estimate of the present value of the future rehabilitation and biodiversity costs required.

(c) Taxes

Income tax

The Target Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain.

(d) Estimation of useful lives of assets

The Target Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

4. REVENUE

Revenue from contracts with customers

	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
Sales of electricity	–	5,931	28,050
Sales of Large-scale Generation Certificates (LGCs)	–	8,330	15,284
	–	14,261	43,334

All sales are made to customers in Australia, and those sales are recognised at a point in time.

5. FINANCE COSTS

	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
Interest on lease liabilities	–	–	315
Unwinding of discount on provision	–	–	772
Finance expense – bank charge	1	1	3
Total Finance Costs	1	1	1,090

6. INCOME TAXES

The major components of income tax expense for each Relevant Period are:

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
Current tax:			
Current income tax (benefit)/charge	(1,805)	3,563	(1,289)
Deferred tax:			
Relating to origination and reversal of temporary differences (note (i) below)	7,474	130	10,972
Income tax expense reported in the statement of profit or loss	5,669	3,693	9,683

Reconciliation of tax expense and the accounting loss multiplied by Australia's domestic tax rate for 2020, 2021 and 2022:

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
Accounting (loss)/profit before income tax	–	7,427	26,756
At Australia's statutory income tax rate of 30% (2020 and 2021: 30%)	–	2,228	8,027
Non-deductible expenses	–	–	288
Current year temporary differences not recognised	5,669	1,465	1,368
Income tax expense reported in the statement of profit or loss	5,669	3,693	9,683

Note (i):

Restoration provision (see note 17) and a corresponding leasehold improvement asset (see note 14) were recorded in year ended 31 December 2020. As a result, a deferred tax liability was recognised on the leasehold improvement asset relating to this provision. However, as it is not probable that any deferred tax asset recognised on the restoration provision would be recoverable based on timing of reversal of the provision, a corresponding deferred tax asset has not been recognised. This has resulted in this amount being recorded as deferred tax expense.

Deferred tax

Deferred tax relates to the following:

	Consolidated statement of financial position		
	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
Fixed assets	(1,820)	(2,313)	(13,056)
Intangible assets	–	–	(32)
Large-scale generation certificates	–	–	(484)
Other receivables	–	–	(54)
Leases	(6,106)	(5,743)	(5,402)
Restoration provision	6,795	7,019	7,251
Temporary differences not recognised	(6,795)	(7,019)	(7,251)
Derivatives	258	–	–
Deferred tax liabilities	(7,668)	(8,056)	(19,028)

	Consolidated statement of profit or loss		
	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
Fixed assets	1,369	493	10,743
Intangible assets	–	–	32
Large-scale generation certificates	–	–	484
Other receivables	–	–	54
Leases	6,106	(363)	(341)
Restoration provision	6,795	(224)	232
Temporary differences not recognised	(6,795)	224	(232)
Deferred tax expenses/(benefit)	7,474	130	10,972

	Consolidated other comprehensive income		
	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
Derivatives	(258)	258	–
Deferred tax expenses/(benefit)	(258)	258	–

	Reconciliation of deferred tax liabilities, net		
	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
As of 1 January	451	7,668	8,056
Large-scale generation certificates	–	–	484
Other receivables	–	–	54
Fixed assets	1,369	493	10,743
Intangible assets	–	–	32
Leases	6,106	(363)	(341)
Restoration provision	6,795	(224)	232
Temporary differences not recognised	(6,795)	224	(232)
Derivatives	(258)	258	–
As at 31 December	7,668	8,056	19,028

7. CASH AND CASH EQUIVALENTS

	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
Cash at bank	215	2,084	11
Total	215	2,084	11

8. LARGE-SCALE GENERATION CERTIFICATES (LGCs)

	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
Large-scale generation certificates	–	–	1,613
Total	–	–	1,613

9. TRADE AND OTHER RECEIVABLES

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
Trade receivables	1	1	–
GST receivables	7	–	–
Due from related party *(see note 21)*	2,277	1,271	476
Other receivables	–	1,267	–
Total	2,285	2,539	476

The table below sets out, as at the end of reporting periods indicated, the ageing analysis of our trade receivables:

	As at 31 December		
	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
Current	–	–	–
1-30 days	–	–	–
31-60 days	–	–	–
61-90 days	–	–	–
Over 90 days	1	1	–
	1	1	–

10. LOANS RECEIVABLE

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
Current			
Loan receivable – related party *(see note 21)*	101	1,270	–
Total	101	1,270	–

11. PROPERTY, PLANT AND EQUIPMENT

	Land *AUD'000*	Construction in progress (CIP) *AUD'000*	Property, plant and equipment *AUD'000*	Total *AUD'000*
Cost				
At 1 January 2020	2,520	301,002	–	303,522
Additions	1,377	21,266	–	22,643
At 31 December 2020	3,897	322,268	–	326,165
Accumulated Depreciation	–	–	–	–
At 1 January 2020	–	–	–	–
Depreciation	–	–	–	–
At 31 December 2020	–	–	–	–
Net Book Value	3,897	322,268	–	326,165
Cost				
At 1 January 2021	3,897	322,268	–	326,165
Additions	–	14,558	–	14,558
Disposal	(3,897)	–	–	(3,897)
At 31 December 2021	–	336,826	–	336,826
Accumulated Depreciation				
At 1 January 2021	–	–	–	–
Depreciation	–	–	–	–
At 31 December 2021	–	–	–	–
Net Book Value	–	336,826	–	336,826
Cost				
At 1 January 2022	–	336,826	–	336,826
Additions	–	5,453	–	5,453
Transfer into CIP	–	(342,279)	342,279	–
At 31 December 2022	–	–	342,279	342,279
Accumulated Depreciation				
At 1 January 2022	–	–	–	–
Depreciation	–	–	(6,916)	(6,916)
At 31 December 2022	–	–	(6,919)	(6,916)
Net Book Value	–	–	335,363	335,363

12. INTANGIBLE ASSETS

	AUD'000
Cost	
At 1 January 2020	10,060
Additions	–
At 31 December 2020	10,060
Amortisation and impairment	
At 1 January 2020	(604)
Amortisation	(402)
At 31 December 2020	(1,006)
Net book value at 31 December 2020	9,054
Cost	
At 1 January 2021	10,060
Additions	–
At 31 December 2021	10,060
Amortisation and impairment	
At 1 January 2021	(1,006)
Amortisation	(402)
At 31 December 2021	(1,408)
Net book value at 31 December 2021	8,652
Cost	
At 1 January 2022	10,060
Additions	–
At 31 December 2022	10,060
Amortisation and impairment	
At 1 January 2022	(1,408)
Amortisation	(402)
At 31 December 2022	(1,810)
Net book value at 31 December 2022	8,250

Intangible asset of the Target Group is the development rights acquired for the construction of the wind farm.

13. INTEREST IN A JOINT VENTURE

The Target Group has a 50% interest in Moorabool Wind Farm Interface Company Pty Ltd ("**MWFIN**"). The Target Group's interest is accounted for using the equity method in the consolidated financial statements. MWFIN acts as an agent for its joint venture parents to interact and transact with the Australian Energy Market Operator, and commenced trading in Relevant Period 2022 upon commercial operation commencement of Moorabool Wind Farm. There is minimal share of profit or loss to be accounted from this period. The joint venture had no contingent liabilities or commitments as at 31 December 2020, 2021 and 2022.

14. LEASES

The Target Group has lease contracts for right to access land used in its operations. Leases of right to access land generally have lease terms of 25 years, which is in line with the useful life of wind turbine. The Target Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Target Group is restricted from assigning and subleasing the leased assets and some contracts require the Target Group to maintain certain financial ratios. The leases contain restoration obligations at the end of the lease term, which are capitalised as part of the leased asset and reflected below as leasehold improvement.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Right to access land *AUD'000*	Leasehold improvement *AUD'000*
Cost		
At 1 January 2020	12,580	21,970
Additions	–	–
At 31 December 2020	12,580	21,970
Amortisation and impairment		
At 1 January 2020	–	–
Amortisation	(536)	(749)
At 31 December 2020	(536)	(749)
Net book value at 31 December 2020	12,044	21,221
Cost		
At 1 January 2021	12,580	21,970
Additions	–	–
At 31 December 2021	12,580	21,970
Amortisation and impairment		
At 1 January 2021	(536)	(749)
Amortisation	(536)	(801)
At 31 December 2021	(1,072)	(1,550)
Net book value at 31 December 2021	11,508	20,420

	Right to Access Land *AUD'000*	Leasehold Improvement *AUD'000*
Cost		
At 1 January 2022	12,580	21,970
Additions	–	–
At 31 December 2022	12,580	21,970
Amortisation and impairment		
At 1 January 2022	(1,072)	(1,550)
Amortisation	(536)	(801)
At 31 December 2022	(1,608)	(2,351)
Net book value at 31 December 2022	10,972	19,619

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
At 1 January	13,024	12,911	12,785
Additions	–	–	–
Accretion of interest	621	615	605
Payments	(734)	(741)	(804)
At 31 December	12,911	12,785	12,586
Current	741	805	821
Non-current	12,170	11,980	11,765
At 31 December	12,911	12,785	12,586

There are no lease expenses recognised in profit or loss for the Target Group as all expenses qualified for capitalisation in Construction in Progress in Relevant Periods 2020 and 2021. For Relevant Period 2022, lease expenses of AUD314,936 was recognised in profit or loss for the Target Group.

The Target Group had total cash outflows for leases of AUD804,450 in 2022 (2021: AUD741,219 and 2020: AUD733,680).

15. TRADE AND OTHER PAYABLES

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
Current			
Trade Payables	–	316	276
Amounts due to related parties *(see note 21)*	55,783	48,842	277
Accrued expenses/Tax and surcharge payables	272	640	97
	56,055	49,798	650

The table below sets out, as at the end of reporting periods indicated, the ageing analysis of our trade payables

	As at 31 December		
	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
Current	–	–	–
1-30 days	–	316	276
31-60 days	–	–	–
61-90 days	–	–	–
Over 90 days	–	–	–
	–	316	276

16. BORROWINGS

	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
Current			
Loans from related parties *(see note 21)*	17,670	181,548	196,604
Syndicate Loan	149,892	–	–
	167,562	181,548	196,604

Loans from related parties are non-interest bearing and payable on demand. On 4 March 2021, the Target Group made a full repayment of AUD150,156,234 including principal, interest and commitment fee to the lenders of the syndicate loan.

17. RESTORATION PROVISION

	AUD'000
At 1 January 2020	21,970
Accretion of interest	680
At 31 December 2020	**22,650**
At 1 January 2021	22,650
Accretion of interest	747
At 31 December 2021	**23,397**
At 1 January 2022	23,397
Accretion of interest	772
At 31 December 2022	**24,169**

18. DERIVATIVES

	2020 AUD'000	**2021** AUD'000	**2022** AUD'000
Interest rate swap	(861)	–	–
	(861)	–	–

At Relevant Period 31 December 2020, the Target Group had an interest rate swap agreement in place with a notional amount of AUD174,891,692 (2019: AUD152,328,583) whereby the Target Group pays a fixed rate of interest of 0.812% and receives interest at a variable rate equal to BBSY on the notional amount, which has been used to hedge the cash flow exposure arising from interest rate risk to changes in the cash flow of its floating rate loan of AUD149,891,712. The loan was fully repaid on 4 March 2021. Consequently, all interest rate swap agreements were cancelled, and cash flow hedge accounting was discontinued. The associated cash flow hedge reserve for the interest rate swap of AUD861,268 was removed from equity and included in construction in progress on that date.

19. ISSUED CAPITAL

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
109,800,000 Ordinary shares issued and fully paid (2021 and 2020: 109,800,000 Ordinary shares)	109,800	109,800	109,800
	109,800	109,800	109,800

Ordinary shares issued and fully paid

All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Target Group.

Movement in ordinary shares	*No. of shares*	*AUD*
At 1 January 2020	84,991,142	84,991,142
Ordinary shares issued	12,250,000	12,250,000
Debt to equity swap	12,558,858	12,558,858
At 31 December 2020	109,800,000	109,800,000
Ordinary shares issued	–	–
At 31 December 2021	109,800,000	109,800,000
Ordinary shares issued	–	–
At 31 December 2022	109,800,000	109,800,000

During the Relevant Period 2022, the issued capital was increased by nil (2021: nil; 2020: AUD24,808,858, ordinary shares issued). The related parties of the Group extinguished a loan owed to it by the Group by converting the loan to ordinary shares.

20. OTHER RESERVES

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
Loan forgiveness	–	–	1,290
Total	–	–	1,290

The Target Group exited the tax-consolidated group on 22 December 2022 following the acquisition of 49% equity interests in the Target Company by Nebras Power Australia Pty Ltd. All inter-entity receivables/(payables) with the head entity as at that date were waived and treated as deemed transaction with owners of the business, with the corresponding impact taken to equity for the Relevant Period ended 31 December 2022.

21. RELATED PARTY DISCLOSURES

(a) Names and relationships with related parties and significant related party transactions

The following table provides the total amount of transactions that have been entered into with related parties during the Relevant Periods:

		Purchases from related parties *AUD'000*	Amounts owed by related parties *AUD'000*	Amounts owed to related parties *AUD'000*
Immediate parent:				
Goldwind International Holdings (HK) Limited	2022	–	–	100,268
	2021	–	–	181,548
	2020	–	–	17,670
Other related parties:				
Goldwind (Australia) Pty Ltd	2022	7,240	–	58
	2021	1,054	1	48,842
	2020	12,416	2,277	53,143
Goldwind Capital (Australia) Pty Ltd	2022	–	–	–
	2021	737	–	–
	2020	–	–	–
Nebras Power Australia Pty Ltd	2022	–	–	96,336
	2021	–	–	–
	2020	–	–	–
Moorabool Wind Farm Interface Company Pty Ltd	2022	–	476	219
	2021	–	–	–
	2020	–	–	–
Moorabool South Wind Farm Pty Ltd	2022	–	–	–
	2021	–	1,270	–
	2020	–	–	2,640
Total	2022	7,240	476	196,881
	2021	1,790	1,271	230,391
	2020	12,416	2,277	73,453

(b) Borrowings from related parties

Loans from related parties are non-interest bearing and payable on demand. Nevertheless, at least next twelve months from the end of the reporting period, there will be continued financial support from the existing shareholders before the proposed acquisition of 26% equity interest in the Target Company by the Company (the "**Acquisition**").

(c) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the end of each Relevant period other than loans receivable and loans payables discussed above are unsecured and interest free and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2022, the Target Group has not recognised any allowance for expected credit losses relating to amounts owed by related parties (2021: Nil; 2020: Nil).

The consolidated financial statements of the Target Group include:

(d) Movement in ordinary shares

	% Equity interest		
	2020	**2021**	**2022**
Name			
Moorabool Wind Farm Pty Ltd	100	100	100

(e) Transactions with key management personnel

There are no transactions with key management personnel during the Relevant Periods.

Key management personnel compensation for all Relevant Periods was borne by its Australian sister company, Goldwind (Australia) Pty Ltd.

22. INFORMATION RELATING TO MOORABOOL WIND FARM (HOLDING) PTY LTD (THE PARENT)

(a) Contingent liabilities of the Target Company

The Target Company did not have any material contingent liabilities at each Relevant Period.

(b) Contractual Commitments

The Target Company did not have any material contractual commitments at each Relevant Period.

(c) Guarantees entered into by the Target Company

The Target Company did not have any guarantee at each Relevant Period.

23. COMMITMENTS AND CONTINGENCIES

Commitments

At 31 December 2022, the Target Group had no capital commitments (2021: AUD11,258,683; 2020: AUD30,506,351 relating to the completion of the wind farm project).

Contingencies

There were no material contingencies for the Target Group at each Relevant Period.

24. EVENT AFTER THE REPORTING PERIODS

As at 20 January 2023, MNS Wind Finance Pty Ltd ("**MNS**"), a wholly-owned subsidiary of the Company acquired 25% equity interest of the Target Company. On 27 April 2023, MNS has decided to exercise the call option to acquire a further 26% of equity interest of the Target Company.

There has been no other matters or circumstances, other than that referred to above, that has arisen since the end of each Relevant Period, that has significantly affected, or may significantly affect, the operations of the Target Group, the results of those operations or the state of the affairs of the Target Group in the future financial years.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Target Company in respect of any period subsequent to 31 December 2022 and up to the date of this report.

The following is the text of accountants' report, prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants, Ernst & Young Australia.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF MOORABOOL SOUTH WIND FARM (HOLDING) PTY LTD AND ITS SUBSIDIARY TO THE DIRECTORS OF BEIJING ENERGY INTERNATIONAL HOLDING CO., LTD.

Introduction

We report on the historical financial information of Moorabool South Wind Farm (Holding) Pty Ltd (the "**Target Company**") and its subsidiary (collectively, the "**Target Group**") set out on pages 79 to 120, which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Target Group for each of the years ended 31 December 2020, 2021 and 2022 (the "**Relevant Periods**"), and the consolidated statement of financial position of the Target Group and the statement of financial position of the Target Company as at 31 December 2020, 2021 and 2022, and a summary of significant accounting policies and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages 79 to 120 forms an integral part of this report, which has been prepared for inclusion in the circular of Beijing Energy International Holding Co., Ltd. (the "**Company**") dated 9 June 2023 (the "**Circular**") in connection with the proposed acquisition of the equity interests in the Target Company to achieve 51% ownership by the Company.

Directors' Responsibility for the Historical Financial Information

The directors of the Target Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2.1 to the Historical Financial Information, and for such internal control as the directors of the Target Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Report on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountant ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Target Group and the Target Company as at 31 December 2020, 2021 and 2022, and of the financial performance and cash flows of the Target Group for each of the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Adjustments

The Historical Financial Information is stated after making such adjustments to the Historical Financial Statements as defined on page 79 as were considered necessary.

Ernst & Young
Sydney, Australia

9 June 2023

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The Historical Financial Information in this report was prepared based on the previously issued financial statements of the Target Group for the Relevant Periods. The previously issued financial statements were audited by *Deloitte Touche Tohmatsu* in accordance with the requirement of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncement issued by Australian Accounting Standard Board (AASB) (the "**Historical Financial Statements**").

The Historical Financial Information is presented in Australian Dollar ("**AUD**") and all values are rounded to the nearest thousand (AUD'000) except when otherwise indicated.

(A) CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		
		2020	2021	2022
	Notes	*AUD'000*	*AUD'000*	*AUD'000*
Revenue	*4*	–	–	45,327
Cost of sales		–	–	(13,436)
Gross profit		–	–	31,891
Finance income		2	–	8
Finance costs	*5*	(2)	(2)	(1,154)
Administrative expenses		(5)	(5)	(54)
Profit/(loss) before income tax		(5)	(7)	30,691
Income tax (expense)/benefit	*6*	(6,465)	603	(12,850)
Profit/(loss) and total comprehensive income for the year		(6,470)	596	17,841

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

(B) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December		
		2020	**2021**	**2022**
	Notes	*AUD'000*	*AUD'000*	*AUD'000*
CURRENT ASSETS				
Cash	*7*	123	357	581
Large-scale generation certificates	*8*	–	–	1,679
Other receivables	*9*	3,103	722	528
Advances to suppliers		477	20	18
TOTAL CURRENT ASSETS		3,703	1,099	2,806
NON-CURRENT ASSETS				
Property, plant and equipment	*10*	341,121	363,962	358,025
Intangible assets	*11*	9,324	8,910	8,496
Investment in joint venture	*12*	100	100	100
Right-of-use assets	*13*	36,019	34,629	33,183
TOTAL NON-CURRENT ASSETS		386,564	407,601	399,804
TOTAL ASSETS		390,267	408,700	402,610
CURRENT LIABILITIES				
Trade and other payables	*14*	212,865	204,549	581
Borrowings	*15*	27,389	53,319	219,612
Tax payable		1	1	33
Lease liabilities	*13*	792	802	818
TOTAL CURRENT LIABILITIES		241,047	258,671	221,044
NON-CURRENT LIABILITIES				
Lease liabilities	*14*	12,133	11,944	11,729
Restoration provision	*16*	24,609	25,374	26,211
Deferred tax liabilities	*6*	6,928	6,565	16,074
TOTAL NON-CURRENT LIABILITIES		43,670	43,883	54,014
TOTAL LIABILITIES		284,717	302,554	275,058
NET ASSETS		105,550	106,146	127,552
EQUITY				
Issued capital	*17*	112,000	112,000	112,000
Other reserve	*18*	–	–	3,565
Retained earnings		(6,450)	(5,854)	11,987
TOTAL EQUITY		105,550	106,146	127,552

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

(C) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Retained earnings	Other reserve	Total equity
	AUD'000	*AUD'000*	*AUD'000*	*AUD'000*
At 1 January 2020	19,179	20	–	19,199
Loss for the year	–	(6,470)	–	(6,470)
Other comprehensive income	–	–	–	–
Total comprehensive loss for the year	–	(6,470)	–	(6,470)
Shares issued from debt to equity swap	92,821	–	–	92,821
At 31 December 2020	112,000	(6,450)	–	105,550
At 1 January 2021	112,000	(6,450)	–	105,550
Profit for the year	–	596	–	596
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	–	596	–	596
Issue of shares	–	–	–	–
At 31 December 2021	112,000	(5,854)	–	106,146
At 1 January 2022	112,000	(5,854)	–	106,146
Profit for the year	–	17,841	–	17,841
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	–	17,841	–	17,841
Deemed equity transaction with owners of the business	–	–	3,565	3,565
At 31 December 2022	112,000	11,987	3,565	127,552

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

(D) CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended 31 December		
		2020	**2021**	**2022**
	Notes	*AUD'000*	*AUD'000*	*AUD'000*
OPERATING ACTIVITIES				
Receipts from customers		–	–	47,566
Payments to suppliers		–	(4)	(20,282)
GST refund		–	–	808
Interest received		2	–	8
Interest paid		(3)	–	(314)
Net cash flows from/(used) in operating activities		(1)	(4)	27,786
INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		–	1,359	–
Interest paid		(622)	(613)	(289)
Purchase of property, plant and equipment		(113,491)	(26,584)	(95,269)
Net cash flows used in investing activities		(114,113)	(25,838)	(95,558)
FINANCING ACTIVITIES				
Proceeds from related parties		117,021	26,255	183,610
Payment of related party loans		(7,929)	–	(115,415)
Payment of principal portion of lease liabilities		(159)	(179)	(199)
Net cash flows from financing activities		108,933	26,076	67,996
Net increase/(decrease) in cash and cash equivalents		(5,181)	234	224
Cash and cash equivalents at 1 January		5,304	123	357
Cash and cash equivalents at 31 December		123	357	581

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

(E) STATEMENT OF FINANCIAL POSITION

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
CURRENT ASSETS	–	–	–
NON-CURRENT ASSETS	122,276	124,327	122,064
TOTAL ASSETS	122,276	124,327	122,064
CURRENT LIABILITIES	10,278	12,330	10,088
NON-CURRENT LIABILITIES	–	–	–
TOTAL LIABILITIES	10,278	12,330	10,088
EQUITY			
Issued capital	112,000	112,000	112,000
Accumulated losses	(2)	(3)	(24)
TOTAL EQUITY	111,998	111,997	111,976

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION OF THE TARGET COMPANY

1. GENERAL INFORMATION

Moorabool South Wind Farm (Holding) Pty Ltd (the "**Target Company**") is a for-profit company limited by shares incorporated in Australia. The immediate parent of Moorabool South Wind Farm (Holding) Pty Ltd is Goldwind International Moorabool Limited, a company registered in China, while the ultimate parent company is Xinjiang Goldwind Science & Technology Co., Ltd., a company registered in China.

The registered office and principal place of business of the Target Group is Level 25, Tower 1 International Towers Sydney, 100 Barangaroo Avenue, Barangaroo, NSW 2000.

The nature of the operations and principal activity of the Target Group is development, operation and maintenance of wind farm. In 2020 and 2021, the Moorabool Wind Farm was under construction. It commenced commercial operations in 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

The Historical Financial Information set out to this report, has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). All IFRSs effective for the accounting period commencing from 1 January 2022, together with the relevant transitional provisions, have been early adopted by the Target Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information have been prepared on a historical cost basis except for derivative financial instruments that have been measured at fair value. The measurement bases are fully described in the accounting policies below. The Historical Financial Information is presented in Australian Dollar (AUD), rounded to the nearest thousand (AUD'000) except when otherwise indicated, which is also the functional currency of the Target Group.

Going Concern

The Historical Financial Information have been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

As at 31 December 2022, the Target Group's consolidated total current liabilities exceeded consolidated total current assets by AUD218,238,950 (2021: net current liability of AUD257,572,994). Included in consolidated current liabilities is a loan from Goldwind International Holdings (HK) Limited (the immediate parent) of AUD112,002,426, and a shareholder loan from Nebras Power Australia Pty Ltd of AUD107,610,174 (see Note 19(b)).

The directors of the Company had made an assessment and concluded the Target Group is able to continue as a going concern and will have sufficient financial resources to support its current operations and to meet its financial obligations as and when they fall due for at least the next twelve months from the end of the reporting period, having regard to (i) the Target Group's forecasted cash positions; and (ii) the financial support received from the existing shareholders before the proposed acquisition of 26% equity interest in the Target Company by the Company (the "**Acquisition**") and from the new shareholders after the Acquisition, confirming that while shareholder loans are repayable on demand, they will not call for repayment of the loans for at least 12 months from the date of approval of these historical financial information if doing so would cause the Target Group not to be able to continue as a going concern. Consequently, the Historical Financial Information have been prepared on a going concern basis.

2.2 Basis of consolidation

The Historical Financial Information comprise the financial statements of the Target Company and its subsidiary for each of the years ended 31 December 2020, 2021 and 2022 (the "**Relevant Periods**"). Subsidiaries are all those entities over which the Target Company has control. Control is achieved when the Target Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Target Company controls an investee if, and only if, the Target Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

If the Target Company loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 Summary of significant accounting policies

(a) New and amended standards and interpretations

The Target Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(b) Current versus non-current classification

The Target Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Target Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(c) Revenue recognition

The Target Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Target Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Target Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

(i) Sale of electricity

Revenue is earned from the sale of electricity generated from the Moorabool Wind Farm. Revenue from electricity sales is recognised when the electricity is generated and connected to the grid and the Target Group attains the right to be compensated.

(ii) Large-scale Generation Certificates (LGCs)

A Large-scale Generation Certificate (LGC) represents 1MWh of generation from renewable energy generators in Australia. For generation from Moorabool Wind Farm, LGC revenue is recognised at fair value as LGCs are granted by the energy market regulator.

LGCs generated by Moorabool Wind Farm have been registered with the Clean Energy Regulator by Moorabool Wind Farm Interface Company Pty Ltd ("**MWFIN**") to transact, as the registered market generator of Moorabool Wind Farm, with the energy market regulator on behalf of the Target Group.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Contract balances

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Target Group performs by transferring goods to a customer before the customer pays considerations or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(d) Property, plant and equipment

Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Target Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Wind turbine and mast	25 years
Other capital equipment	4-20 years
Control building and infrastructure	40 years

The residual value, useful live and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Construction in progress

Construction in progress pertains to capitalised expenditure related to the development and construction of the Moorabool Wind Farm. Development expenditures on an individual project are recognised as an asset when the Target Group can demonstrate:

a. The technical feasibility of completing the intangible asset so that asset will be available for use or sale;

b. Its intension to complete and its ability and intension to use or sell the asset;

c. How the asset will generate future economic benefits;

d. The availability of resources to complete the asset; and

e. The ability to measure reliably the expenditure during the development.

Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is transferred to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal (ie at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

(e) Intangible assets

Intangible assets acquired separately and with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The useful lives of intangible assets of the Target Group are assessed as follows:

Development rights	25 years

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

(f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised into the cost of the asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(g) Impairment of non-financial assets

The Target Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Target Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Target Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Target Group's CGUs to which the individual assets are allocated. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income as an expense.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Target Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(h) Financial assets

(i) Classification

The Target Group classifies its financial assets at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Target Group's business model for managing them.

(ii) Measurement

The Target Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Target Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies of revenue from contacts with customers in Note 2.3(c).

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Target Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

(iii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a. Financial assets at amortised cost (debt instruments)

b. Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instrument)

c. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

d. Financial assets at fair value through profit or loss

The Target Group measures financial assets at amortised cost if both of the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Target Group's financial assets at amortised cost includes trade and other receivables and loans to related parties.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, investment income and interest income.

(iv) Impairment

The Target Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Target Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Target Group applies a simplified approach in calculating ECLs. Therefore, the Target Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Target Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Target Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Target Group may also consider a financial asset to be in default when internal or external information indicates that the Target Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Target Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(i) Financial liabilities

(i) Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Target Group's financial liabilities include trade and other payables, borrowings.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

(j) Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash at bank.

(k) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the EIR method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Target Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(l) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Target Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the end of each Relevant Periods in the countries where the Target Group operates and generates taxable income.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it reflects new information obtained about facts and circumstances that exist at the acquisition date that, if known, would have affected the amount recognised at that date during the measurement period, or recognised in profit or loss.

The Target Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax consolidation

The Target Group and its Australian related entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax consolidated group is Goldwind Australia Pty Ltd.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the "separate taxpayer within the group" approach by reference to the carrying amounts of assets and liabilities either in the separate financial statements of each entity or at the level of tax consolidated group and the tax bases applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are initially recognised during the period to the extent that they are recoverable by the group, whether as a reduction of the current tax of other entities in the group or as a deferred tax asset of the head entity in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Target Group as an equity contribution or distribution.

Where several entities in a tax consolidated group derive tax losses/credits in the same period but the aggregate amount of the tax losses/credits are not expected to be utilised as a reduction of a current tax liability or be recognised as a deferred tax asset by the head entity, the aggregate amount expected to be utilised or recognised is apportioned on a systematic and reasonable basis between those entities for their initial tax-loss/tax-credit deferred tax asset recognition.

Nature of tax funding arrangements and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) are at call.

The Target Group exited the tax-consolidated group on 22 December 2022 following the acquisition of 49% equity interests in the Target Group by Nebras Power Australia Pty Ltd. All inter-entity receivables/(payables) with the head entity as at that date were waived and treated as deemed transaction with owners of the business, with the corresponding impact taken to equity for the Relevant Period ended 31 December 2022.

Goods and services tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except:

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable

- When receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

(o) Leases

(i) Definition of a lease and the Target Group *as a lessee*

The Target Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To apply this definition, the Target Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Target Group;
- the Target Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Target Group has the right to direct the use of the identified asset throughout the period of use. The Target Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Target Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Target Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(ii) Measurement and recognition of Right-of use-assets

The Target Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Right to access land	25 years

If ownership of the leased asset transfers to the Target Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (d) impairment of non-financial assets.

In the Historical Financial Information, the Target Group's right-of-use assets are presented separately in statement of financial position.

(iii) Measurement and recognition of leases as a lessee

At the commencement date of the lease, the Target Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Target Group and payments of penalties for terminating the lease, if the lease term reflects the Target Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Target Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. In the Historical Financial Information, the Target Group's lease liabilities are presented separately in statement of financial position.

(iv) Short-term leases and leases of low-value assets

The Target Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short- term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(p) Restoration provision

The Target Group records the present value of the estimated cost of legal and constructive obligations to rehabilitate lease areas as a restoration provision, initially in the period in which the obligation is incurred. The nature of restoration activities includes dismantling and removing structures, dismantling operating facilities, closure of plant, and restoration, reclamation and revegetation of affected areas. When the liability is initially recorded, the present value of the estimated cost is capitalised by increasing the carrying amount of the related leased assets. Over time, the discounted liability is increased for the change in the present value based on a discount rate, where appropriate. Additional disturbances or changes in restoration costs will be recognised as additions or changes to the corresponding asset and restoration liability when incurred. The unwinding of the effect of discounting the provision is recorded as a finance charge in the profit or loss. The carrying amount capitalised as part of leased assets is depreciated or amortised over the life of the related asset.

(q) Related parties

For the purposes of the Historical Financial Information, a party is considered to be related to the Target Group if:

(a) the party, is a person or a close member of that person's family and if that person,

(i) has control or joint control over the Target Group;

(ii) has significant influence over the Target Group; or

(iii) is a member of the key management personnel of the Target Group or of a parent of the Target Group.

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Target Group are members of the same group.

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) the entity and the Target Group are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Group or an entity related to the Target Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Target Group or to the parent of the Target Group.

(ix) Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the Historical Financial Information requires Target Group to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed below.

The key assumptions concerning the future and other key sources of estimation uncertainty at each relevant period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Target Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Target Group. Such changes are reflected in the assumptions when they occur.

(a) Restoration provision

Significant estimates and assumptions are made in determining the restoration provision as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at balance date represents management's best estimate of the present value of the future rehabilitation and biodiversity costs required.

(b) Taxes

Income tax

The Target Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain.

(c) Estimation of useful lives of assets

The Target Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

4. REVENUE

Revenue from contracts with customers

	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
Sales of electricity	–	–	29,843
Sales of Large-scale Generation Certificates (LGCs)	–	–	15,484
	–	–	45,327

All sales are made to customers in Australia, and those sales are recognised at a point in time.

5. FINANCE COSTS

	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
Interest on lease liabilities	–	–	314
Unwinding of discount on provision			837
Finance expense – bank charge	2	2	3
Total Finance Costs	2	2	1,154

6. INCOME TAXES

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
Current tax:			
Current income tax (benefit)/charge	(464)	(240)	3,341
Deferred tax:			
Relating to origination and reversal of temporary differences (note (i) below)	6,928	(363)	9,509
Income tax (benefit)/expense reported in the statement of profit or loss	6,465	(603)	12,850

Reconciliation of tax expense/(benefit) and the accounting loss multiplied by Australia's domestic tax rate for 2020, 2021 and 2022:

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
Accounting (loss)/profit before income tax	(5)	(7)	30,691
At Australia's statutory income tax rate of 30% (2021 and 2020: 30%)	(1)	(2)	9,207
Non-deductible expenses	–	–	225
Current year temporary differences not recognised	6,466	(601)	3,418
Income tax (benefit)/expense reported in the statement of profit or loss	6,465	(603)	12,850

Note (i):

Restoration provision (see note 16) and a corresponding leasehold improvement asset (see note 13) were recorded in year ended 31 December 2020. As a result, a deferred tax liability was recognised on the leasehold improvement asset relating to this provision. However as it is not probable that any deferred tax asset recognised on the restoration provision would be recoverable based on timing of reversal of the provision, a corresponding deferred tax asset has not been recognised. This has resulted in this amount being recorded as deferred tax expense.

Deferred tax

Deferred tax relates to the following:

	Consolidated statement of financial position		
	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
Large-scale generation certificates	–	–	(504)
Other receivables	–	–	(58)
Fixed assets	–	–	(9,288)
Intangible assets	–	–	(33)
Leases	(6,928)	(6,565)	(6,191)
Restoration provision	7,383	7,612	7,863
Temporary differences not recognised	(7,383)	(7,612)	(7,863)
Deferred tax liabilities	(6,928)	(6,565)	(16,074)

	Consolidated statement of profit or loss		
	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
Large-scale generation certificates	–	–	504
Other receivables	–	–	58
Fixed assets	–	–	9,288
Intangible assets	–	–	33
Leases	6,928	(363)	(374)
Restoration provision	(7,383)	–	–
Temporary differences not recognised	7,383	–	–
Deferred tax expense/(benefit)	6,928	(363)	9,509

	Reconciliation of deferred tax liabilities, net		
	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
As of 1 January	–	6,928	6,565
Large-scale generation certificates	–	–	504
Other receivables	–	–	58
Fixed assets	–	–	9,288
Intangible assets	–	–	33
Leases	6,928	(363)	(374)
Restoration provision	(7,383)	–	–
Temporary differences not recognised	7,383	–	–
As at 31 December	6,928	6,565	16,074

7. CASH AND CASH EQUIVALENTS

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
Cash at bank	123	357	581
Total	123	357	581

8. LARGE-SCALE GENERATION CERTIFICATES (LGCs)

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
Large-scale generation certificates	–	–	1,679
Total	–	–	1,679

9. OTHER RECEIVABLES

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
Due from related parties *(see note 19)*	2,640	695	516
Other receivables	463	27	12
Total	3,103	722	528

10. PROPERTY, PLANT AND EQUIPMENT

	Land	Project equipment	Construction in progress (CIP)	Property, plant and equipment	Total
	AUD'000	*AUD'000*	*AUD'000*	*AUD'000*	*AUD'000*
Cost					
At 1 January 2020	2,150	111	157,526	–	159,787
Additions	1,540	–	179,860	–	181,400
At 31 December 2020	3,690	111	337,386	–	341,187
Accumulated Depreciation					
At 1 January 2020	–	(61)	–	–	(61)
Depreciation	–	(5)	–	–	(5)
At 31 December 2020	–	(66)	–	–	(66)
Net Book Value	3,690	45	337,386	–	341,121
Cost					
At 1 January 2021	3,690	111	337,386	–	341,121
Additions	–	–	26,535	–	26,535
Disposal	(3,690)	–	–	–	(3,690)
At 31 December 2021	–	111	363,921	–	364,032
Accumulated Depreciation					
At 1 January 2021	–	(66)	–	–	(66)
Depreciation	–	(4)	–	–	(4)
At 31 December 2021	–	(70)	–	–	(70)
Net Book Value	–	41	363,921	–	363,962
Cost					
At 1 January 2022	–	111	363,921	–	364,032
Additions	–	–	1,510	–	1,510
Transfer into CIP		–	(365,431)	365,431	–
Disposal	–	–	–	–	–
At 31 December 2022	–	111	–	365,431	365,542
Accumulated Depreciation					
At 1 January 2022	–	(70)	–	–	(70)
Depreciation	–	–	–	(7,447)	(7,447)
At 31 December 2022	–	(70)	–	(7,447)	(7,517)
Net Book Value	–	41	–	357,984	358,025

11. INTANGIBLE ASSETS

	AUD'000
Cost	
At 1 January 2020	10,360
Additions	–
	10,360
Amortisation and impairment	
At 1 January 2020	(622)
Amortisation	(414)
	(1,036)
Net book value at 31 December 2020	9,324
Cost	
At 1 January 2021	10,360
Additions	–
	10,360
Amortisation and impairment	–
At 1 January 2021	(1,036)
Amortisation	(414)
	(1,450)
Net book value at 31 December 2021	8,910
Cost	
At 1 January 2022	10,360
Additions	–
	10,360
Amortisation and impairment	
At 1 January 2022	(1,450)
Amortisation	(414)
	(1,864)
Net book value at 31 December 2022	8,496

Intangible asset of the Target Group is the development rights acquired for the construction of the wind farm.

12. INTEREST IN A JOINT VENTURE

The Target Group has a 50% interest in Moorabool Wind Farm Interface Company Pty Ltd ("**MWFIN**"). The Target Group's interest is accounted for using the equity method in the consolidated financial statements. MWFIN acts as an agent for its joint venture parents to interact and transact with the Australian Energy Market Operator, and commenced trading in Relevant Period 2022 upon commercial operation commencement of Moorabool Wind Farm. There is minimal share of profit or loss to be accounted from this period. The joint venture had no contingent liabilities or commitments as at 31 December 2020, 2021 and 2022.

13. LEASES

The Target Group has lease contracts for right to access land used in its operations. Leases of right to access land generally have lease terms of 25 years, which is in line with the useful life of wind turbine. The Target Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Target Group is restricted from assigning and subleasing the leased assets and some contracts require the Target Group to maintain certain financial ratios. The leases contain restoration obligations at the end of the lease term, which are capitalised as part of the leased asset and reflected below as leasehold improvement.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Right to access land *AUD'000*	Leasehold improvement *AUD'000*
Cost		
At 1 January 2020	12,683	24,262
Additions	–	–
At 31 December 2020	12,683	24,262
Amortisation and impairment		
At 1 January 2020	–	–
Amortisation	(543)	(383)
At 31 December 2020	(543)	(383)
Net book value at 31 December 2020	12,140	23,879
Cost		
At 1 January 2021	12,683	24,262
Additions	–	–
At 31 December 2021	12,683	24,262
Amortisation and impairment		
At 1 January 2021	(543)	(383)
Amortisation	(543)	(847)
At 31 December 2021	(1,086)	(1,230)
Net book value at 31 December 2021	11,597	23,032
Cost		
At 1 January 2022	12,683	24,262
Additions	–	–
At 31 December 2022	12,683	24,262
Amortisation and impairment		
At 1 January 2022	(1,086)	(1,230)
Amortisation	(543)	(903)
At 31 December 2022	(1,629)	(2,133)
Net book value at 31 December 2022	11,054	22,129

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
At 1 January	13,083	12,925	12,746
Accretion of interest	622	613	603
Payments	(780)	(792)	(802)
At 31 December	12,925	12,746	12,547
Current	792	802	818
Non-current	12,133	11,944	11,729
At 31 December	12,925	12,746	12,547

There are no lease expenses recognised in profit or loss for the Target Group as all expenses qualified for capitalisation in Construction in Progress in Relevant Periods 2020 and 2021. For Relevant Period 2022, lease expenses of AUD313,967 was recognised in profit or loss for the Target Group.

The Target Group had total cash outflows for leases of AUD802,065 in 2022 (2021: total lease payment of AUD791,969 and 2020: total lease payment of AUD779,888).

14. TRADE AND OTHER PAYABLES

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
Current			
Amounts due to related parties *(see note 19)*	208,361	201,314	307
Deferred consideration *(*)*	4,275	2,275	–
Accrued expenses	229	960	274
	212,865	204,549	581

(*) The balance of deferred consideration represents the unpaid consideration in the acquisition of assets in Moorabool South Wind Farm Pty Ltd.

15. BORROWINGS

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
Current			
Loans from related parties *(see note 19)*	27,389	53,319	219,612

Loans from related parties are non-interest bearing and payable on demand.

16. RESTORATION PROVISION

	AUD'000
At 1 January 2020	24,262
Accretion of interest	347
At 31 December 2020	**24,609**
At 1 January 2021	24,609
Accretion of interest	765
At 31 December 2021	**25,374**
At 1 January 2022	25,374
Accretion of interest	837
At 31 December 2022	**26,211**

17. ISSUED CAPITAL

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
112,000,000 Ordinary shares issued and fully paid (2021 and 2020: 112,000,000 Ordinary shares)	112,000	112,000	112,000
	112,000	112,000	112,000

Ordinary shares issued and fully paid

All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Target Group.

Movement in ordinary shares	*No. of shares*	*AUD*
At 1 January 2020	19,179,279	19,179,279
Debt to equity swap	92,820,721	92,820,721
At 31 December 2020	112,000,000	112,000,000
Ordinary shares issued	–	–
At 31 December 2021	112,000,000	112,000,000
Ordinary shares issued	–	–
At 31 December 2022	112,000,000	112,000,000

During the Relevant Year 2022, the issued capital was increased by Nil (2021: Nil; 2020: AUD92,820,721 ordinary shares issued). The related parties of the Group extinguished a loan owed to it by the Group by converting the loan to ordinary shares.

18. OTHER RESERVES

	2020 *AUD'000*	2021 *AUD'000*	2022 *AUD'000*
Loan forgiveness	–	–	3,565
Total	–	–	3,565

The Target Group exited the tax-consolidated group on 22 December 2022 following the acquisition of 49% equity interests in the Target Company by Nebras Power Australia Pty Ltd. All inter-entity receivables/(payables) with the head entity as at that date were waived and treated as deemed transaction with owners of the business, with the corresponding impact taken to equity for the Relevant Period ended 31 December 2022.

19. RELATED PARTY DISCLOSURES

(a) Names and relationships with related parties and significant related parties transactions

The following table provides the total amount of transactions that have been entered into with related parties during the Relevant Periods:

		Purchases from related parties *AUD'000*	Amounts owed by related parties *AUD'000*	Amounts owed to related parties *AUD'000*
Immediate parent:				
Goldwind International Holdings (HK) Limited	2022	–	–	112,002
	2021	–	–	52,049
	2020	–	–	27,389
Nebras Power Australia Pty Ltd	2022	–	–	107,610
	2021	–	–	–
	2020	–	–	–
Other related parties:				
Goldwind (Australia) Pty Ltd	2022	2,694	–	70
	2021	3,079	695	201,314
	2020	166,080	458	208,338
Goldwind Capital (Australia) Pty Ltd	2022	–	–	–
	2021	1,086	–	–
	2020	–	–	–
Moorabool Wind Farm Interface Company Pty Ltd	2022	–	516	237
	2021	–	–	–
	2020	–	–	23
Moorabool Wind Farm Pty Ltd	2022	–	–	–
	2021	–	–	1,270
	2020	–	–	–
Moorabool Wind Farm (Holding) Pty Ltd	2022	–	–	–
	2021	–	–	–
	2020	–	2,640	–
Total	2022	2,694	516	219,919
	2021	4,165	695	254,633
	2020	166,080	3,098	235,750

(b) Borrowings from related parties

Loans from related parties are non-interest bearing and payable on demand. Nevertheless, at least next twelve months from the end of the reporting period, there will be continued financial support from the existing shareholders before the proposed acquisition of 26% equity interest in the Target Company by the Company (the "**Acquisition**").

(c) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the end of each Relevant period other than loans receivable and loans payables discussed above are unsecured and interest free and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2022, the Target Group has not recognised any allowance for expected credit losses relating to amounts owed by related parties (2021: Nil; 2020: Nil).

The consolidated financial statements of the Target Group include:

(d) Movement in ordinary shares

		% Equity interest	
	2020	**2021**	**2022**
Name			
Moorabool South Wind Farm Pty Ltd	100	100	100

(e) Transactions with key management personnel

There are no transactions with key management personnel during the Relevant Periods.

Key management personnel compensation for all Relevant Periods was borne by its Australian sister company, Goldwind (Australia) Pty Ltd.

20. INFORMATION RELATING TO MOORABOOL SOUTH WIND FARM (HOLDING) PTY LTD (THE PARENT)

(a) Contingent liabilities of the Target Company

The Target Company did not have any material contingent liabilities at each Relevant Period.

(b) Contractual Commitments

The Target Company did not have any material contractual commitments at each Relevant Period.

(c) Guarantees entered into by the Target Company

The Target Company did not have any guarantees at each Relevant Period.

21. COMMITMENTS AND CONTINGENCIES

Commitments

At 31 December 2022, the Target Group had no capital commitments (2021: AUD20,403; 2020: AUD24,411,451 relating to the completion of the wind farm project).

Contingencies

There were no material contingencies for the Target Group at each Relevant Period.

22. EVENT AFTER THE REPORTING PERIODS

As at 20 January 2023, MNS Wind Finance Pty Ltd ("**MNS**"), a wholly-owned subsidiary of the Company acquired 25% equity interest of the Target Company. On 27 April 2023, MNS has decided to exercise the call option to acquire a further 26% of equity interest of the Target Company.

There has been no other matters or circumstances, other than that referred to above, that has arisen since the end of each Relevant Period, that has significantly affected, or may significantly affect, the operations of the Target Group, the results of those operations or the state of the affairs of the Target Group in the future financial years.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Target Company in respect of any period subsequent to 31 December 2022 and up to the date of this report.

The following is the text of accountants' report, prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants, Ernst & Young Australia.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF MOORABOOL WIND FARM INTERFACE COMPANY PTY LTD TO THE DIRECTORS OF BEIJING ENERGY INTERNATIONAL HOLDING CO., LTD.

Introduction

We report on the historical financial information of Moorabool Wind Farm Interface Company Pty Ltd (the "**Target Company**") set out on pages 123 to 136, which comprises the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for each of the years ended 31 December 2020, 2021 and 2022 (the "**Relevant Periods**") and the statement of financial position of the Target Company as at 31 December 2020, 2021 and 2022, and a summary of significant accounting policies and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages 123 to 136 forms an integral part of this report, which has been prepared for inclusion in the circular of Beijing Energy International Holding Co., Ltd. (the "**Company**") dated 9 June 2023 (the "**Circular**") in connection with the proposed acquisition of the equity interests in the Target Company to achieve 51% ownership by the Company.

Directors' Responsibility for the Historical Financial Information

The directors of the Target Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2.1 to the Historical Financial Information, and for such internal control as the directors of the Target Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Report on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountant ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Target Company as at 31 December 2020, 2021 and 2022, and of the financial performance and cash flows of the Target Company for each of the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Adjustments

In preparing the Historical Financial Information, no adjustments to the Management Accounts as defined on page 123 have been made.

Ernst & Young
Sydney, Australia

9 June 2023

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The Historical Financial Information in this report was prepared based on management accounts of the Target Company for the Relevant Periods (the "**Management Accounts**").

The Historical Financial Information is presented in Australian Dollar ("**AUD**") and all values are rounded to the nearest thousand (AUD'000) except when otherwise indicated.

(A) STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		
		2020	**2021**	**2022**
	Notes	*AUD'000*	*AUD'000*	*AUD'000*
Finance income		–	–	6
Other operating expense		–	–	–
Non-operating income		–	–	1
Profit/(Loss) before income tax		–	–	7
Income tax/(expense)		–	–	(2)
Profit/(loss) and total comprehensive income for the year		–	–	5

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

(B) STATEMENT OF FINANCIAL POSITION

		As at 31 December		
		2020	2021	2022
	Notes	*AUD'000*	*AUD'000*	*AUD'000*
CURRENT ASSETS				
Cash	*3*	72	602	195
Trade and other receivables	*4*	265	4	1,456
TOTAL CURRENT ASSETS		337	606	1,651
TOTAL ASSETS		337	606	1,651
CURRENT LIABILITIES				
Trade and other payables	*5*	138	407	1,447
TOTAL CURRENT LIABILITIES		138	407	1,447
TOTAL LIABILITIES		138	407	1,447
NET ASSETS		199	199	204
EQUITY				
Issued capital	*6*	200	200	200
Retained earnings		(1)	(1)	4
TOTAL EQUITY		199	199	204

The above statement of financial position should be read in conjunction with the accompanying notes.

(C) STATEMENT OF CHANGES IN EQUITY

	Issued capital *AUD'000*	Retained earnings *AUD'000*	Total equity *AUD'000*
At 1 January 2020	200	(1)	199
Profit/(Loss) for the year	–	–	–
Other comprehensive income	–	–	–
Total comprehensive income for the year	–	–	–
At 31 December 2020	200	(1)	199
At 1 January 2021	200	(1)	199
Profit/(Loss) for the year	–	–	–
Other comprehensive income	–	–	–
Total comprehensive income for the year	–	–	–
At 31 December 2021	200	(1)	199
At 1 January 2022	200	(1)	199
Profit/(Loss) for the year	–	5	5
Other comprehensive income	–	–	–
Total comprehensive income for the year	–	5	5
At 31 December 2022	200	4	204

The above statement of changes in equity should be read in conjunction with the accompanying notes.

(D) STATEMENT OF CASH FLOWS

		Year ended 31 December		
		2020	2021	2022
	Notes	*AUD'000*	*AUD'000*	*AUD'000*
OPERATING ACTIVITIES				
Receipts on behalf of MN and MS [1]		–	1,147	514
Payments on behalf of MN and MS [1]		(1)	(3,306)	(877)
Interest received		–	–	8
GST payment		–	(428)	(52)
GST refund		359	–	–
Net cash flow from/(used) in operating activities		358	(2,587)	(407)
FINANCING ACTIVITIES				
Proceeds from related parties		(68)	5,444	1,050
Payment of related party loans		(220)	(2,327)	(1,050)
Net cash flows (used) in/from financing activities		(288)	3,117	–
Net increase/(decrease) in cash and cash equivalents		70	530	(407)
Cash and cash equivalents at 1 January		2	72	602
Cash and cash equivalents at 31 December		72	602	195

The above statement of cash flows should be read in conjunction with the accompanying notes.

Note 1:

Moorabool Wind Farm Interface Company Pty Ltd (the "**Target Company**") has been set up by Moorabool Wind Farm Pty Ltd ("**MN**") and Moorabool South Wind Farm Pty Ltd ("**MS**") as the Registered Market Generator to transact with the energy market operator on their behalf. As such, the Target Company makes payments and receives cash on behalf of MN and MS, and accordingly these amounts have been shown gross to reflect the actual cash inflows and outflows incurred.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION OF THE TARGET COMPANY

1. GENERAL INFORMATION

Moorabool Wind Farm Interface Company Pty Ltd (the "**Target Company**") is a for-profit company limited by shares incorporated in Australia. The Target Company is a joint venture entity of Moorabool Wind Farm Pty Ltd ("**MN**") and Moorabool South Wind Farm Pty Ltd ("**MS**"), while the ultimate parent company is Xinjiang Goldwind Science & Technology Co., Ltd., a company registered in China.

The registered office and principal place of business of the Target Company is Level 25, Tower 1 International Towers Sydney, 100 Barangaroo Avenue, Barangaroo, NSW 2000.

The operations and principal activities of the Target Company are: (i) operation and maintenance of sub-station for Moorabool Wind Farm; and (ii) transaction and interaction with the energy market operator and regulator on behalf of MN and MS as the Registered Market Generator of Moorabool Wind Farm. Moorabool Wind Farm commenced operations during 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

The Historical Financial Information set out to this report, has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). All IFRSs effective for the accounting period commencing from 1 January 2022, together with the relevant transitional provisions, have been early adopted by the Target Company in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information have been prepared on a historical cost basis, except for derivative financial instruments and inventories that have been measured at fair value. The measurement bases are fully described in the accounting policies below. The Historical Financial Information is presented in Australian Dollar (AUD), rounded to the nearest thousand (AUD'000) except when otherwise indicated, which is also the functional currency of the Target Company.

Going Concern

The Historical Financial Information have been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

2.2 Summary of significant accounting policies

(a) New and amended standards and interpretations

The Target Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(b) Current versus non-current classification

The Target Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Target Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(c) Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash at bank.

(d) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the EIR method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Target Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(e) Large-scale Generation Certificates (LGCs)

A Large-scale Generation Certificate (LGC) represents 1MWh of generation from renewable energy generators in Australia. For generation from MN and MS wind farms, LGC is recognised at fair value by MN and MS as LGCs are granted by the energy market operator.

LGCs generated by MN and MS wind farms have been registered with the Clean Energy Regulator by the Target Company as it has been set up by MN and MS to transact with the energy market operator on their behalf as the Registered Market Generator. The Target Company obtains legal title to LGCs only momentarily before they are sold to customers, therefore the Target Company does not control LGCs generated by MN and MS. As such, the Target Company does not recognise LGCs generated by Moorabool Wind Farm in its financial statements.

(f) Trade and other payables

These amounts represent liabilities for goods and services provided to the Target Company prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(g) Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the end of each Relevant Periods in the countries where the Target Company operates and generates taxable income.

Goods and services tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except:

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable

- When receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

(h) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) Related parties

For the purposes of the Historical Financial Information, a party is considered to be related to the Target Company if:

(a) the party, is a person or a close member of that person's family and if that person,

  (i) has control or joint control over the Target Company;

  (ii) has significant influence over the Target Company; or

  (iii) is a member of the key management personnel of the Target Company or of a parent of the Target Company.

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Target Company are members of the same group.

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) the entity and the Target Company are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Company or an entity related to the Target Company.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Target Company or to the parent of the Target Company.

(ix) Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. CASH AND CASH EQUIVALENTS

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
Cash at bank	72	602	195
Total	72	602	195

4. TRADE AND OTHER RECEIVABLES

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
Accounts Receivable	–	–	671
Other Receivable – Others	222	4	329
Amounts due from related parties *(see note 7)*	43	–	456
Total	265	4	1,456

The table below sets out, as at the end of reporting periods indicated, the ageing analysis of trade receivables:

	As at 31 December		
	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
Current	–	–	671
1-30 days	–	–	–
31-60 days	–	–	–
61-90 days	–	–	–
Over 90 days	–	–	–
	–	–	671

5. TRADE AND OTHER PAYABLES

	2020	2021	2022
	AUD'000	*AUD'000*	*AUD'000*
Current			
Accounts payable	–	302	–
Other payables	–	105	455
Amounts due to related parties *(see note 7)*	138	–	992
	138	407	1,447

The table below sets out, as at the end of reporting periods indicated, the ageing analysis of trade payables

	As at 31 December		
	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
Current	–	302	–
1-30 days	–	–	–
31-60 days	–	–	–
61-90 days	–	–	–
Over 90 days	–	–	–
	–	302	–

6. ISSUED CAPITAL

	2020	**2021**	**2022**
	AUD'000	*AUD'000*	*AUD'000*
200,200 Ordinary shares issued and fully paid (2021 and 2020: 200,200 Ordinary shares)	200	200	200
	200	200	200

Ordinary shares issued and fully paid

All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Target Company.

Movement in ordinary shares	*No. of shares*	*AUD*
At 1 January 2020	200,200	200,200
Ordinary shares issued	–	–
At 31 December 2021	200,200	200,200
Ordinary shares issued	–	–
At 31 December 2022	200,200	200,200

7. RELATED PARTY TRANSACTIONS

(a) Names and relationships with related parties and significant related parties transactions

The following table provides the total amount of transactions that have been entered into with related parties during the Relevant Periods:

		Purchases from related parties *AUD'000*	Amounts owed by related parties *AUD'000*	Amounts owed to related parties *AUD'000*
Parent company:				
Moorabool Wind Farm Pty Ltd	2022	–	219	476
	2021	–	–	–
	2020	–	–	101
Moorabool South Wind Farm Pty Ltd	2022	–	237	516
	2021	–	–	–
	2020	–	23	–
Other related parties:				
Goldwind Capital Australia Pty Ltd	2022	–	–	–
	2021	–	–	–
	2020	–	–	37
Goldwind Australia Pty Ltd	2022	–	–	–
	2021	–	–	–
	2020	–	20	–
Total	2022	–	456	992
	2021	–	–	–
	2020	–	43	138

Terms and conditions of transactions with related parties

Outstanding balances at the end of each Relevant Period are unsecured and interest free, and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

8. COMMITMENTS AND CONTINGENCIES

There were no material commitments and contingencies for the Target Company at each Relevant Period.

9. EVENT AFTER THE REPORTING PERIODS

As at 20 January 2023, MNS Wind Finance Pty Ltd ("**MNS**"), a wholly-owned subsidiary of the Company acquired 25% equity interest of the Target Company. On 27 April 2023, MNS has decided to exercise the call option to acquire a further 26% of equity interest of the Target Company.

There has been no other matters or circumstances, other than that referred to above, that has arisen since the end of each Relevant Period, that has significantly affected, or may significantly affect, the operations of the Target Company, the results of those operations or the state of the affairs of the Target Company in the future financial years.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Target Company in respect of any period subsequent to 31 December 2022 and up to the date of this report.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

(i) Introduction to Unaudited Pro Forma Financial Information

The following is the illustrative unaudited pro forma consolidated statement of assets and liabilities ("**Unaudited Pro Forma Financial Information**") of the Enlarged Group, being Beijing Energy International Holding Co., Ltd. (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") together with its interests in (i) Moorabool Wind Farm (Holding) Pty Ltd ("**Target Company (North)**") and (ii) Moorabool South Wind Farm (Holding) Pty Ltd ("**Target Company (South)**") (collectively the "**Target Companies**"), which has been prepared by the directors of the Company to illustrate the financial effects of the Previous Acquisition and the Acquisition on the assets and liabilities of the Enlarged Group as if the Previous Acquisition and the Acquisition had been completed on 31 December 2022.

The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG7**") issued by the Hong Kong Institute of Certified Public Accountants, for the sole purpose of illustrating the effect of the Previous Acquisition and the Acquisition to the Group as if the Previous Acquisition and the Acquisition have been completed on 31 December 2022 for inclusion in this circular. Upon the Completion of Previous Acquisition and Acquisition, the Group will own as to 51% equity interest in the Target Companies.

The preparation of the Unaudited Pro Forma Financial Information is based on (a) the audited consolidated statement of financial position of the Group as at 31 December 2022 which has been extracted from the published annual report of the Company for the year ended 31 December 2022; (b) the audited consolidated statements of financial position of the Target Companies as at 31 December 2022, which have been extracted from the accountants' reports as set out in Appendices IIA and IIB to this circular, after making certain pro forma adjustments as explained in the notes below that are (i) directly attributable to the Previous Acquisition and the Acquisition and not relating to future events or decisions; and (ii) factually supportable, as if the Previous Acquisition and the Acquisition had been completed on 31 December 2022. The accounting policies of the Target Companies are stated in the accountants' reports as set out in Appendices IIA and IIB of this circular and such policies are consistent with the accounting policies of the Group.

The Unaudited Pro Forma Financial Information is prepared based on number of assumptions, estimates, uncertainties and currently available information, and has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position or results of the Enlarged Group had the Previous Acquisition and the Acquisition been completed as at 31 December 2022 or at any future date. Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the Enlarge Group's future financial position.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in the published annual report of the Company for the year ended 31 December 2022, the financial information of the Target Companies as set out in Appendices IIA and IIB to this circular and other financial information included elsewhere in this circular.

(ii) Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Enlarged Group

			Pro forma adjustments				
	Audited consolidated statement of assets and liabilities of the Group as at 31 December 2022	**Audited statement of assets and liabilities of the Target Companies as at 31 December 2022**		**Others**			**Unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group as at 31 December 2022**
	RMB'million	*RMB'million*	*RMB'million*	*RMB'million*	*RMB'million*	*RMB'million*	*RMB'million*
	Note 1	*Note 2*	*Note 3*	*Note 4*	*Note 5*	*Note 6*	
ASSETS							
Non-current assets							
Property, plant and equipment	32,374	3,315	410				36,099
Right-of-use assets	1,680	305					1,985
Intangible assets	1,166	80	70				1,316
Investments accounted for using equity method	736	1		(1)			736
Other financial assets at amortised costs	4,548	–					4,548
Pledged deposits	947	–					947
Deferred tax assets	12	–					12
	41,463	3,701					45,643
Current assets							
Large-scale generation certificates	–	16					16
Financial assets at fair value through profit or loss	34	–					34
Trade, bills and tariff adjustment receivables	8,296	–		3			8,299
Other receivables, contract assets, deposits and prepayments	3,459	5		4	(7)		3,461
Pledged deposits	1,829	–					1,829
Restricted cash	10	–					10
Cash and cash equivalents	5,237	3	(1,843)	1		(7)	3,391
	18,865	24					17,040
Total assets	60,328	3,725					62,683

	Audited consolidated statement of assets and liabilities of the Group as at 31 December 2022	Audited statement of assets and liabilities of the Target Companies as at 31 December 2022	Pro forma adjustments				Unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group as at 31 December 2022
				Others			
	RMB'million	*RMB'million*	*RMB'million*	*RMB'million*	*RMB'million*	*RMB'million*	*RMB'million*
	Note 1	*Note 2*	*Note 3*	*Note 4*	*Note 5*	*Note 6*	
LIABILITIES							
Non-current liabilities							
Convertible bonds	355	–					355
Contingent consideration payables	19	–					19
Other payables and accruals	–	241					241
Bank and other borrowings	29,585	–					29,585
Lease liabilities	1,068	112					1,180
Deferred income	26	–					26
Deferred tax liabilities	482	168	123				773
	31,535	521					32,179
Current liabilities							
Other payables and accruals	4,332	6		7	(7)		4,338
Lease liabilities	71	8					79
Contingent consideration payables	2	–					2
Bank and other borrowings	14,205	1,990	(1,015)				15,180
	18,610	2,004					19,599
Total liabilities	50,145	2,525					51,778
Net assets	10,183	1,200					10,905

(iii) Notes to the Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Enlarged Group

Note 1 The consolidated statement of assets and liabilities of the Group as at 31 December 2022 is extracted from the published annual report of the Company as at 31 December 2022.

Note 2 The audited statements of assets and liabilities of the Target Companies as at 31 December 2022 are extracted from the audited statements of financial position of the Target Companies as set out in Appendix IIA and Appendix IIB respectively to this circular.

Note 3 On 20 December 2022, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the sale and purchase agreements with the respective Vendors to acquired 25% of the issued share capital in each of the Target Companies (the "**Previous Agreements**"). On the same date, the Purchaser entered into the Call Option Deeds with the respective Vendors in relation to the Call Options, pursuant to which the respective Vendors irrevocably grants to the Purchaser (or any other person nominated by the Purchaser) an option to purchase, and require the Vendors to sell, 26% of the issued share capital in each of the Target Companies. On 9 June 2023, the Purchaser entered into the Sale and Purchase Agreements with the Vendors to acquire 26% of the issued share capital in each of the Target Companies after having notified the Vendors that it has decided to exercise the Call Options.

Pursuant to the Previous Agreements, the considerations in relation to acquisitions of 25% of the issued share capital in each of the Target Companies are approximately AUD90.7 million and AUD98.2 million, respectively (equivalent to approximately RMB433.8 million and RMB469.6 million, respectively), comprising (a) the 25%-net asset value of each of the Target Companies of approximately AUD41.6 million and AUD43.3 million, respectively (equivalent to approximately RMB199.1 million and RMB207.1 million, respectively); and (b) the Vendor Group Debt amounts of each of the Target Companies of approximately AUD49.1 million and AUD54.9 million, respectively (equivalent to approximately RMB234.7 million and RMB262.5 million, respectively). Details of the considerations and payment terms are set out in the "Letter from the Board" section to this circular. As at the Latest Practicable Date, the Previous Acquisition has been completed and the Group has an interest in 25% of the issued share capital in each of the Target Companies.

Pursuant to the Sale and Purchase Agreements, the considerations in relation to acquisitions of 26% of the issued share capital in each of the Target Companies are approximately AUD94.4 million and AUD102.1 million, respectively (equivalent to approximately RMB451.2 million and RMB488.3 million, respectively), comprising (a) the 26%-net asset value of each of the Target Companies of approximately AUD43.3 million and AUD45.0 million, respectively (equivalent to approximately RMB206.8 million and RMB215.3 million, respectively); and (b) the Vendor Group Debt amounts of each of the Target Companies of approximately AUD51.1 million and AUD57.1 million, respectively (equivalent to approximately RMB244.4 million and RMB273.0 million, respectively). Details of the considerations and payment terms are set out in the "Letter from the Board" section to this circular.

The Acquisition together with Previous Acquisition constitute a series of transactions made within 12-month period and shall be aggregated pursuant to Rule 14.22 of the Listing Rules. Upon the Completion, the Target Companies will be owned as to 51% by the Company and become indirect non wholly-owned subsidiaries of the Company. The identifiable assets and liabilities of the each of the Target Companies are expected to be accounted for in the Unaudited Pro Forma Financial Information of the Enlarged Group at fair value under the acquisition method of accounting in accordance with HKFRS 3 (Revised) "Business Combinations".

(i) The provisional purchase price allocation arising from the acquisitions of 51% in aggregate of the issued share capital in each of the Target Companies is calculated as follows:

	RMB'million
Consideration	
Cash consideration	828.3
Less: Total identifiable assets acquired and liabilities assumed	
Carrying amounts of net assets of the Target Companies	(1,200.8)
Fair value adjustment *(see Note (ii) below)*	(409.7)
Effect on deferred tax liabilities arising from the fair value adjustment *(see Note (iii) below)*	122.9
	(1,487.6)
Non-controlling interests in the Target Companies *(see Note (iv) below)*	728.9
	69.6
Representing	
Goodwill to be recognised in the consolidated statement of financial position of the Enlarged Group	69.6

Goodwill is expected to be recognised in relation to the acquisitions of 51% in aggregate of the issued share capital in each of the Target Companies for the amounts of approximately AUD9.8 million and AUD4.7 million, respectively (equivalent to approximately RMB46.9 million and RMB22.7 million, respectively).

(ii) Fair value adjustment

For the purpose of the Unaudited Pro Forma Financial Information, the Directors have determined the fair values of the identifiable assets and liabilities of the Target Companies as at 31 December 2022 with reference to the valuation reports dated 24 May 2023 prepared by the independent qualified professional valuer, RSM Corporate Australia Pty Ltd. The valuations were prepared by using the income approach, through the use of the discounted cash flow method. The fair values of the net assets of the Target Companies are expected to be adjusted by fair value uplift of property, plant and equipment amounting to approximately AUD33.8 million and AUD51.9 million, respectively (equivalent to approximately RMB161.6 million and RMB248.1 million, respectively).

(iii) Deferred tax liabilities

Related deferred tax liabilities of approximately AUD10.1 million and AUD15.6 million, respectively (equivalent to approximately RMB48.5 million and RMB74.4 million, respectively) arising from the fair value adjustment on the property, plant and equipment of approximately AUD33.8 million and AUD51.9 million, respectively (equivalent to approximately RMB161.6 million and RMB248.1 million, respectively) are estimated based on Australian Corporate Tax rate of 30%.

Since the fair values of the identifiable assets and liabilities of each of the Target Companies at the completion date may be substantially different from the fair values used in the preparation of the Unaudited Pro Forma Financial Information of the Enlarged Group, the final amounts of the identified net assets and goodwill to be recognised in connection with the Previous Acquisition and the Acquisition may be different from the amounts presented above.

(iv) Calculation of non-controlling interests in the Target Companies

	RMB'million
49% of identifiable net assets of Target Company (North) at fair value of approximately AUD147.3 million (equivalent to approximately RMB704.0 million)	345.0
49% of identifiable net assets of Target Company (South) at fair value of approximately AUD163.9 million (equivalent to approximately RMB783.6 million)	383.9
Non-controlling interests in the Target Companies	728.9

(v) Settlements of total considerations and Vendor Group Debts

The total payments of approximately AUD385.4 million (equivalent to approximately RMB1,842.9 million) represent the settlements of total considerations for the Previous Acquisition and the Acquisition of approximately AUD173.2 million (equivalent to approximately RMB828.3 million) and the settlements of the Vendor Group Debts of approximately AUD212.2 million (equivalent to approximately RMB1,014.6 million).

Note 4 Prior to the Acquisition, Moorabool Interface was indirectly held as to 50% by each of the Target Companies. The interests held were accounted for using equity method in the financial statements of Target Company (North) and Target Company (South). Upon the Completion, Moorabool Interface will become an indirect non wholly-owned subsidiary of the Company and will be consolidated from the date on which control is transferred to the Group. The audited statements of assets and liabilities of Moorabool Interface as at 31 December 2022 are extracted from the audited statements of financial position of Moorabool Interface as set out in Appendix IIC to this circular.

Note 5 Intercompany balances between Moorabool Interface with the Target Companies are eliminated in preparing the Unaudited Pro Forma Financial Information of the Enlarged Group.

Note 6 The adjustment represents the estimated transaction costs of approximately RMB6.6 million, including the aggregate non-refundable call option fees of AUD0.5 million (equivalent to approximately RMB2.4 million), paid by the Group in connection with the Previous Acquisition and the Acquisition.

Note 7 Apart from the Previous Acquisition and the Acquisition, no other adjustment has been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions entered into by the Enlarged Group subsequent to 31 December 2022.

Note 8 For calculation purposes, the values of the consideration, assets, liabilities, fair value adjustment, non-controlling interests and goodwill have been converted into RMB under the exchange rate of AUD1.00 to RMB4.781228.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

GrantThornton
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TO THE DIRECTORS OF BEIJING ENERGY INTERNATIONAL HOLDING CO., LTD.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Beijing Energy International Holding Co., Ltd. (the "**Company**") and its subsidiaries (collectively the "**Group**"), and Moorabool Wind Farm (Holding) Pty Ltd, Moorabool South Wind Farm (Holding) Pty Ltd (collectively the "**Target Companies**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 31 December 2022 and related notes as set out in Part A of Appendix III to the circular dated 9 June 2023 (the "**Circular**") issued by the Company (the "**Unaudited Pro Forma Financial Information**") in connection with the proposed acquisition of 25% of the issued share capital in each of the Target Companies (the "**Previous Acquisition**") and the proposed acquisition of 26% of the issued share capital in each of the Target Companies (the "**Acquisition**") by the Group. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Part A of Appendix III to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Previous Acquisition and the Acquisition on the Group's financial position as at 31 December 2022 as if the Previous Acquisition and the Acquisition had taken place at 31 December 2022. As part of this process, the information about the Group's financial position as at 31 December 2022 has been extracted by the Directors from the published annual report of the Group as at 31 December 2022.

DIRECTORS' RESPONSIBILITIES FOR THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

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 HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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 ACCOUNTANT'S RESPONSIBILITIES

Our responsibility is to express an opinion, as required by Rule 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with Rule 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2022 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to Rule 4.29(1) of the Listing Rules.

Yours faithfully,

Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

9 June 2023

Chiu Wing Ning
Practising certificate number: P04920

Set out below is the management discussion and analysis on the Target Group for the three years ended 31 December 2022 (the "**Reporting Period**") based on the financial information set out in Appendix IIA, Appendix IIB and Appendix IIC to this circular.

BUSINESS REVIEW

Each of the Target Company (North) and the Target Company (South) is a company incorporated in Australia and principally engaged in wind farm development, construction, operation and maintenance. Target Company (North) and Target Company (South) hold the entire issued share capital of the Project Company (North) and Project Company (South), which in turn hold Moorabool North Wind Farm and Moorabool South Wind Farm, respectively. Moorabool North Wind Farm is a wind farm located at Moorabool, Victoria, Australia with a total installed capacity of 150MW. Moorabool South Wind Farm is a wind farm located at Moorabool, Victoria, Australia with a total installed capacity of 162MW. Moorabool North Wind Farm and Moorabool South Wind Farm commenced grid connected power generation from 24 June 2022 and 21 September 2022, respectively.

Moorabool Interface is a joint venture of Project Company (North) and Project Company (South) incorporated in Australia and principally engaged in operation and maintenance of sub-station for Moorabool Wind Farm, acting as an intermediary between the energy market operator and wind farm operators.

FINANCIAL REVIEW

Revenue

Target Company (North): Moorabool North Wind Farm commenced grid connected power generation from 24 June 2022. Target Company (North) did not recognise any revenue in 2020. For the year ended 31 December 2022, Target Company (North) recognised revenue of approximately AUD43.3 million, as compared with approximately AUD14.3 million for the year ended 31 December 2021, representing an increase of approximately 203.9%.

Target Company (South): Moorabool South Wind Farm commenced grid connected power generation from 21 September 2022. Target Company (South) did not recognise any revenue during 2020 and 2021. For the year ended 31 December 2022, Target Company (South) recognised revenue of approximately AUD45.3 million.

The increase in revenue of Target Company (North) and Target Company (South) was primarily attributable to the operation of more turbines and the commencement of grid connected power generation in 2022. Moorabool Wind Farm had 27 out of 50 turbines generating electricity from April 2021 to April 2022. Since June 2022, Moorabool Wind Farm has been operating at full capacity, which reflects the income increase.

Moorabool Interface: Moorabool Interface did not recognise any revenue during the three years ended 31 December 2022.

Cost of sales

Target Company (North): Target Company (North) did not recognise any cost of sales in 2020. For the year ended 31 December 2021, the cost of sales of Target Company (North) was approximately AUD6.8 million, or approximately 47.9% of the total revenue. For the year ended 31 December 2022, the cost of sales of Target Company (North) was approximately AUD15.4 million, or approximately 35.6% of the total revenue. The majority of the cost of sales was incurred from Operating and Maintenance ("**O&M**") expenses, asset management expenses and connection cost.

Target Company (South): Target Company (South) did not recognise any cost of sales in 2020 and 2021. For the year ended 31 December 2022, the cost of sales of Target Company (South) was approximately AUD13.4 million, or approximately 29.6% of the total revenue. The majority of the cost of sales was incurred from O&M expenses, asset management expenses and connection cost.

Moorabool Interface: Moorabool Interface did not recognise any cost of sales during the three years ended 31 December 2022.

Gross profit and gross profit margin

Target Company (North): For the year ended 31 December 2022, the gross profit and gross profit margin of Target Company (North) were approximately AUD27.9 million and approximately 64.4%. For the year ended 31 December 2021, the gross profit and gross profit margin of Target Company (North) were approximately AUD7.4 million and approximately 52.1%.

Target Company (South): For the year ended 31 December 2022, the gross profit and gross profit margin of Target Company (South) were approximately AUD31.9 million and approximately 70.4%. The Target Company (South) did not recognise any gross profit for the two years ended 31 December 2021.

Moorabool Interface: Moorabool Interface did not recognise any gross profit during the three years ended 31 December 2022.

Segmental information

Each of Target Company (North), Target Company (South) and Moorabool Interface has only one reportable segment during the Reporting Period. As such, no segmental information thereof is presented.

Property, Plant and Equipment

Target Company (North): As at 31 December 2020, 31 December 2021 and 31 December 2022, the net book amounts of the property, plant and equipment of Target Company (North) were approximately AUD326.2 million, AUD336.8 million and AUD335.4 million, respectively.

Target Company (South): As at 31 December 2020, 31 December 2021 and 31 December 2022, the net book amounts of the property, plant and equipment of Target Company (South) were approximately AUD341.1 million, AUD364.0 million and AUD358.0 million, respectively.

Moorabool Interface: Moorabool Interface did not recognise any property, plant and equipment during the three years ended 31 December 2022.

Liquidity and financial resources

Target Company (North): As at 31 December 2022, the current assets of Target Company (North) were approximately AUD2.3 million. The current assets were mainly comprised of large-scale generation certificates of approximately AUD1.6 million, trade and other receivables of AUD476,000, advances to suppliers of AUD231,000 and cash of AUD11,000. In addition, Target Company (North) had current liabilities of approximately AUD198.1 million, non-current assets of approximately AUD374.3 million and non-current liabilities of approximately AUD55.0 million.

As at 31 December 2021, the current assets of Target Company (North) were approximately AUD5.9 million. The current assets were mainly comprised of trade and other receivables of approximately AUD2.5 million, cash of approximately AUD2.1 million and loans receivable of approximately AUD1.3 million. In addition, Target Company (North) had current liabilities of approximately AUD232.2 million, non-current assets of approximately AUD377.5 million and non-current liabilities of approximately AUD43.4 million.

As at 31 December 2020, the current assets of Target Company (North) were approximately AUD2.6 million. The current assets were mainly comprised of trade and other receivables of approximately AUD2.3 million, cash of AUD215,000 and loans receivable of AUD101,000. In addition, Target Company (North) had current liabilities of approximately AUD224.4 million, non-current assets of approximately AUD368.6 million and non-current liabilities of approximately AUD43.3 million.

Target Company (South): As at 31 December 2022, the current assets of Target Company (South) were approximately AUD2.8 million. The current assets were mainly comprised of large-scale generation certificates of approximately AUD1.7 million, other receivables of AUD528,000, cash of AUD581,000 and advances to suppliers of AUD18,000. In addition, Target Company (South) had current liabilities of approximately AUD221.0 million, non-current assets of approximately AUD399.8 million and non-current liabilities of approximately AUD54.0 million.

As at 31 December 2021, the current assets of Target Company (South) were approximately AUD1.1 million. The current assets were mainly comprised of other receivables of AUD722,000, cash of AUD357,000 and advances to suppliers of AUD20,000. In addition, Target Company (South) had current liabilities of approximately AUD258.7 million, non-current assets of approximately AUD407.6 million and non-current liabilities of approximately AUD43.9 million.

As at 31 December 2020, the current assets of Target Company (South) were approximately AUD3.7 million. The current assets were mainly comprised of other receivables of approximately AUD3.1 million, advances to suppliers of AUD477,000 and cash of AUD123,000. In addition, Target Company (South) had current liabilities of approximately AUD241.0 million, non-current assets of approximately AUD386.6 million and non-current liabilities of approximately AUD43.7 million.

Moorabool Interface: As at 31 December 2022, the current assets of Moorabool Interface were approximately AUD1.7 million. The current assets were mainly comprised of trade and other receivables of approximately AUD1.5 million and cash of AUD195,000. In addition, Moorabool Interface had current liabilities of approximately AUD1.4 million. Moorabool Interface did not have any non-current assets and non-current liabilities as at 31 December 2022.

As at 31 December 2021, the current assets of Moorabool Interface were AUD606,000. The current assets were mainly comprised of cash of AUD602,000, and trade and other receivables of AUD4,000. In addition, Moorabool Interface had current liabilities of AUD407,000. Moorabool Interface did not have any non-current assets and non-current liabilities as at 31 December 2021.

As at 31 December 2020, the current assets of Moorabool Interface were AUD337,000. The current assets were mainly comprised of trade and other receivables of AUD265,000 and cash of AUD72,000. In addition, Moorabool Interface had current liabilities of AUD138,000. Moorabool Interface did not have any non-current assets and non-current liabilities as at 31 December 2020.

The principal sources of working capital of the Target Group during the year ended 31 December 2022 were cash flows from operating activities and financing activities. As at 31 December 2022, the current ratio (current assets divided by current liabilities) of the Target Group was approximately 2.4%.

Capital structure and cash management

The cash and bank balances were held in the form of bank deposits in AUD. The Target Group's management monitors rolling forecasts on the liquidity requirements to ensure the Target Group maintains sufficient liquidity reserve to support sustainability and growth of the Target Group's business.

The Target Group did not have any financial instruments for hedging purpose.

Gearing Ratio

As at 31 December 2022, the gearing ratio of Target Company (North) was approximately 67.2%; the gearing ratio of Target Company (South) was approximately 68.3%; and the gearing ratio of Moorabool Interface was approximately 87.6%.

As at 31 December 2021, the gearing ratio of Target Company (North) was approximately 71.9%; the gearing ratio of Target Company (South) was approximately 74.0%; and the gearing ratio of Moorabool Interface was approximately 67.2%.

As at 31 December 2020, the gearing ratio of Target Company (North) was approximately 72.1%; the gearing ratio of Target Company (South) was approximately 73.0%; and the gearing ratio of Moorabool Interface was approximately 40.9%.

The above gearing ratios were defined as the respective total liabilities of Target Company (North), Target Company (South) and Moorabool Interface divided by the respective total assets of Target Company (North), Target Company (South) and Moorabool Interface as at 31 December 2020, 2021 and 2022.

Funding and treasury policies

The Target Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Reporting Period.

Capital commitment

Target Company (North): As at 31 December 2020 and 31 December 2021, Target Company (North) had capital commitments of approximately AUD30.5 million and AUD11.3 million respectively, relating to completion of the wind farm project. As at 31 December 2022, Target Company (North) had no capital commitments.

Target Company (South): As at 31 December 2020 and 31 December 2021, Target Company (South) had capital commitments of AUD24.4 million and approximately AUD20,403 respectively, relating to completion of the wind farm project. As at 31 December 2022, Target Company (South) had no capital commitments.

Moorabool Interface: As at 31 December 2020, 31 December 2021 and 31 December 2022, Moorabool Interface had no capital commitments.

Significant investment, material acquisitions and disposals

The Target Group did not have any significant investment, nor any material acquisition or other material disposal during the Reporting Period.

Prospect for new business

The Target Group did not have any plans for new investments as at 31 December 2020, 2021 and 2022.

Future plans for material investments or capital assets

The Target Group did not have any plans for new investments during the Reporting Period.

Pledge of assets

As at 31 December 2020, 2021 and 2022, no property, plant and equipment was pledged.

Remuneration policies and employee information

As at 31 December 2020, 2021 and 2022, the Target Group did not have any direct employees.

Foreign exchange exposure

The assets, liabilities and business transactions of the Target Group are denominated in AUD. The Target Group did not have any financial instrument to hedge foreign exchange risks during the Reporting Period.

Contingent liabilities

As at 31 December 2020, 2021 and 2022, the Target Group did not have any contingent liabilities.

FINANCIAL SERVICES GUIDE

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 ("RSM Corporate Australia Pty Ltd" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

– who we are and how we can be contacted;

– the financial services that we will be providing you under our Australian Financial Services Licence, Licence No 255847;

– remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;

– any relevant associations or relationships we have; and

– our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; the Company will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and/or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, P O Box R1253, Perth, WA, 6844.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA is an independent dispute resolution scheme that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au. You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll Free: 1800 931 678
Email: info@afca.org.au

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

Contact details

You may contact us using the details set out at the top of our letterhead in Section 1 of this report.

CONTENTS

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24 May 2023

The Board of Directors
Beijing Energy International (Australia) Holding Pty Ltd
Suite 3, Level 21, 1 York Street,
Sydney NSW 2000 Australia

Dear Directors,

VALUATION OF MOORABOOL WIND FARM NORTH

1. INTRODUCTION

1.1 As announced to the Hong Kong Exchange ("HKEX") on 20 December 2022, Beijing Energy International Holding Co., Ltd. ("BJEI" or the "Company"), through its Australia wholly-owned subsidiary – MNS Wind Finance Pty Ltd ("MNSWF" or the "Purchaser"), acquired 25% of Moorabool Wind Farm (Holding) Pty Ltd ("MNWF" or "Moorabool North") from Goldwind International Moorabool Limited (the "Vendor") (the "Initial Acquisition"). On the same date the Purchaser also entered a Call Option Deed ("Call Option"), pursuant to which the Vendor irrevocably granted the Purchaser an option to purchase, and required the Vendor to sell, an additional 26% of the issued share capital of Moorabool North.

1.2 On 31 March 2023, the Purchaser exercised the Call Option to acquire a further 26% of the issued share capital in Moorabool North (together with the Initial Acquisition, the "Transaction").

1.3 The Transaction constitutes a 'major transaction' as defined in Chapter 14 – Notifiable Transactions of Hong Kong Exchange Listing Rules ("Chapter 14 – HKEX"). Accordingly, the directors of BJEI have requested RSM Corporate Australia Pty Ltd ("RSM") to prepare a valuation report ("Report") assessing the Market Value of Moorabool North as at 31 December 2022 ("Valuation Date") for disclosure in the circular to the shareholders of BJEI in accordance with Chapter 14 – HKEX.

2. SUMMARY

2.1 Based on the valuation methodology adopted and the analysis and discussion in this Report, we have assessed the Market Value of the equity of Moorabool North as at the Valuation Date to be in the range of AUD145.4m and AUD169.3m, with a midpoint of AUD157.4m, as set out in the table below:

Valuation of Moorabool North

AUD'million	**Low**	**Mid**	**High**
Discount rate applied	11.4%	n.a.	9.8%
Equity Value from FCFE	145.4	157.4	169.3
(+) Net debt	196.6	196.6	196.6
(+) Non-operating liabilities	19.0	19.0	19.0
Total Enterprise Value	361.0	373.0	384.9

Source: RSM analysis

Note 1: Our DCF has been based on the available free cash flows to equity ("FCFE") by applying an appropriate cost of equity.

Note 2: Mid point valuation is the average of low and high valuations.

3. DISCLAIMER

3.1 This Report has been prepared for the purpose described in our Section 1 & 2 and set out in our Engagement Letter. This Report is to be used solely for this purpose and should not be used for any other purpose.

3.2 In accordance with our normal practice, we hereby expressly disclaim liability to any persons other than those to whom the Report is specifically addressed. The information contained in this Report may not be used or relied upon by any other party, in any manner whatsoever, without the prior written consent of RSM.

3.3 Any party who chooses to rely in any way on the contents of this Report, does so at their own risk. Neither the whole of this Report, nor any part thereof or any reference thereto may be published in any document, statement or in any communication in any form or context with any other third parties without the prior written consent of RSM.

3.4 Our valuation opinion is based on economic, market and other conditions prevailing at the Valuation Date. Such conditions can change significantly over relatively short periods of time. Accordingly, this Report and our opinion may become quickly outdated and require revision should such conditions change after the issue of our Report.

3.5 RSM reserves the right to revise any valuation, or other opinion, in the light of material information existing at the Valuation Date that subsequently becomes known to RSM.

3.6 The fee for our valuation services is not contingent on the result of the valuation conclusions included within this report.

4. SCOPE OF WORK

4.1 This Report has been prepared as a Valuation Engagement in accordance with APES 225 – Valuation Services ("APES 225").

4.2 This valuation has been undertaken by Andrew Clifford, Director, Corporate Finance, (RSM), acting independently. Andrew has extensive experience in providing valuations of businesses and equity.

4.3 This report has been prepared on a going concern premise of value based on Market Value, as defined in Appendix C of this Report.

4.4 Unless otherwise noted, all amounts in this report are expressed in Australian dollars.

4.5 The statements and opinions in this report are given in good faith and in the belief that such statements and opinions are not false or misleading. In forming our valuation opinions and preparing this Report, we have relied upon information supplied by Management. A summary of the sources of information used in preparing the valuation is provided in Appendix B.

4.6 We have not independently verified the correctness of, existence or value of any item which is in, or should be in, such information. We do not have any reason to believe that any material facts have been withheld from us, nor do we warrant that our investigation has revealed all of the matters which an audit or more extensive examination might disclose.

4.7 For the above reasons, we do not warrant the accuracy or reliability of either the information supplied to us or the conclusions drawn therefrom.

4.8 In relation to the Forward-Looking Information referred to in this Report, we do not express an opinion as to whether actual results of Moorabool North will approximate the forecasts prepared by Management. It is not possible to confirm whether those forecasts will be achieved, as it must be understood that all such forecasts depend on certain future events that are not capable of independent substantiation.

4.9 Users of the Report should correctly interpret and use the valuation conclusion, which is not equivalent to the realisable value of the valuation target and should not be considered as a guarantee for the realisable value of the valuation target.

Events after the Valuation Date

4.10 We have been informed that on 17 March 2023, Moorabool North terminated a power purchase agreement ("PPA") with an existing client, which accounted for 50% of the generation capacity of Moorabool North, and had a contracted price of $72.0/MWh with a 3% annual escalation. We understand Moorabool North is in the process of negotiating a replacement PPA with a prospective client, which will account for 50% of the generation capacity of Moorabool North, at a price of $74.3/MWh with CPI escalation. Management expects the PPA's commencement date to be 1 July 2023. We have not considered the impact of the above matter in our Report as it is a post-Valuation Date event.

Reliance on the work of experts

4.11 The forecast model used in performing our valuation includes assumptions on the forecast electricity generation of Moorabool North, which is based on the Energy Yield Assessment report for Moorabool Wind Farm issued by K2 Management dated 2 November 2022.

4.12 The forecast model used in performing our valuation includes the useful life of the project, which is based on the Technical Due Diligence for Moorabool Wind Farm report issued by K2 Management dated 2 November 2022 and the Lifetime Extension Analysis for Moorabool Wind Farm issued by K2 Management dated 19 October 2022.

4.13 The forecast model used in performing our valuation includes forecast merchant electricity price, which is based on the Moorabool Wind Farm Analysis Report (Electricity Price Outlook) issued by Aurora Energy Research dated 21 September 2022.

5. OVERVIEW OF MOORABOOL NORTH

Background

5.1 Moorabool North is one part of a two site wind farm operation. Located 25km southeast of Ballarat in Victoria, Australia, Moorabool North has 50 turbines with total capacity of up to 150MW. Construction of the wind farm began in July 2018 and it commenced partial operation in late 2020. Commissioning was completed in 2022.

Financial information of Moorabool North

5.2 The information in the following section provides a summary of the financial performance of Moorabool North for the years ended 31 December 2022 extracted from the management accounts and audited financial statements of Moorabool North.

Financial performance

5.3 We set out in the below table a summary of the historical financial performance of Moorabool North for the year ended 31 December 2022 ("FY22") (the "Historical Period").

Historical financial performance

AUD'million	*Ref*	**FY22**
Total revenue	*par 5.4 & 5.5*	**43.3**
Expenses		
O&M	*par 5.6*	(1.4)
Connection	*par 5.7*	(2.9)
Asset management	*par 5.8*	(0.2)
Insurance expense		(0.3)
Other expenses	*par 5.9*	(3.1)
Total expenses		**(7.9)**
EBITDA		**35.4**
EBITDA margin %		82%
Depreciation	*par 5.10*	(7.3)
EBIT		**28.1**
EBIT margin %		65%
Finance expenses		(1.1)
Other income/expenses		(0.3)
EBT		**26.8**
Tax expense		(9.7)
NPAT		**17.1**

Source: Management accounts and audited financial statements

5.4 Moorabool North started generating revenue under testing conditions in December 2020, and continued to run at low capacity (below 25%) until late June 2022, when was commissioned. We have only presented the financial performance for FY22 which contains six months of operations under full operational capacity.

5.5 Revenue in FY22 comprises of $28.0m from generation income and $15.3m from Large-scale Generator Certificate (“LGC”) income.

5.6 Operating and maintenance (“O&M”) expenses relate to the servicing of equipment and the operation of the windfarm under the Warranty, Operating and Maintenance (“WOM”) contract signed with Goldwind Australia Pty Ltd and Xinjiang Goldwind Science and Technology Co. Ltd. on 24 June 2022 (valid for 10 years + 5 years extension option). Fees agreed under the contract is $2.4m p.a. for year 1-2, $5.3m p.a. for year 3-10 and $5.8m p.a. for year 11-15 in real term with reference to 2022 and be escalated at 2.75% p.a.

5.7 Connection cost consists mainly of the grid connection expense which is a fixed annual fee of $1.6m (in real terms with reference to 2016 and subject to annual CPI escalation) under the Connection Service Agreement. Services received include assets design, construction, operation and maintenance.

5.8 Asset management expenses relate to general management services, project management, financial management and company secretarial services, which are carried out by Goldwind Capital (Australia) Pty Ltd under the Asset Management Agreement signed on 18 March 2019 (valid for 10 years). Fees are $0.3m p.a. in real terms with reference to 2019 and are escalated at 2.5% per year.

5.9 Other expenses comprise mainly of administrative expenses.

5.10 Depreciation of $6.9m relates to the depreciation of PPE, with the remaining $0.4m relating to the amortisation of intangible asset.

Financial position

5.11 We set out in the table below a summary of the historical financial position of Moorabool North as at 31 December 2022.

Historical Financial Position

AUD'million	*Ref*	**FY22**
Current assets		
Cash and cash equivalents		0.0
Trade and other receivables		2.1
Advances to suppliers		0.2
Total current assets		**2.3**
Non-current assets		
Property, plant and equipment	*par 5.12*	335.4
Intangible assets	*par 5.13*	8.3
Investment in joint venture		0.1
Right-of-use assets	*par 5.14*	30.6
Total non-current assets		**374.3**
Total assets		**376.6**
Current liabilities		
Trade and other payables		0.7
Loans from related parties	*par 5.15*	196.6
Lease Liabilities	*par 5.14*	0.8
Tax payable		–
Total current liabilities		**198.1**
Non-current liabilities		
Lease Liabilities	*par 5.14*	11.8
Deferred tax liabilities		19.0
Restoration provision	*par 5.17*	24.2
Total non-current liabilities		**55.0**
Total liabilities		**253.0**
Net assets		**123.6**

Source: Audited financial statements

5.12 Property, plant and equipment ("PPE") represent the carrying value of the wind turbines, consisting of the cost of construction and capitalised costs less depreciation.

5.13 Intangible assets of $8.3m relate to the development rights acquired for the construction of the wind farm.

5.14 Right-of-use assets of $11.0m relate to the right to access the land under the lease agreements which has been capitalised in accordance with AASB 16, with the corresponding lease liabilities recognised in current ($0.8m) and non current liabilities ($11.8m). The leases contain restoration obligations at the end of the lease term, which are capitalised as part of the leased asset and reflected in the Right-of-use assets balance as leasehold improvements of $19.6m.

5.15 Loans from related parties comprise $96.3m long-term borrowings advanced from Nebras and $100.3m relating to an engineering, procurement and construction ("EPC") amount payable to Goldwind. The EPC payables are non-interest bearing and are payable on demand.

5.16 In our valuation, we have assumed the loans from related parties will be novated to BJEI and Nebras in FY23 upon the completion of the acquisition of Moorabool North and Moorabool South by BJEI. Replacement debt facilities will be obtained from financial institutions to refinance these loans.

5.17 The restoration provision represents the present value of the future estimated cost of legal and construction obligations to rehabilitate the leased land at the end of the project. We understand that management has included potential restoration costs in the forecasts in the calculation of the residual value of the wind farm. Hence, we have not included the restoration provision in our calculation of the enterprise value on the premise that the rehabilitation costs are already considered in the calculated equity value.

Forecast financial performance

5.18 We have considered the following key assumptions made by BJEI in preparing the financial forecast.

Power Purchase Agreement ("PPA")

5.19 As at the Valuation Date, Moorabool North had secured two PPAs to sell 60% of its generated electricity. The agreements commenced in January 2023 and are valid for 8 years.

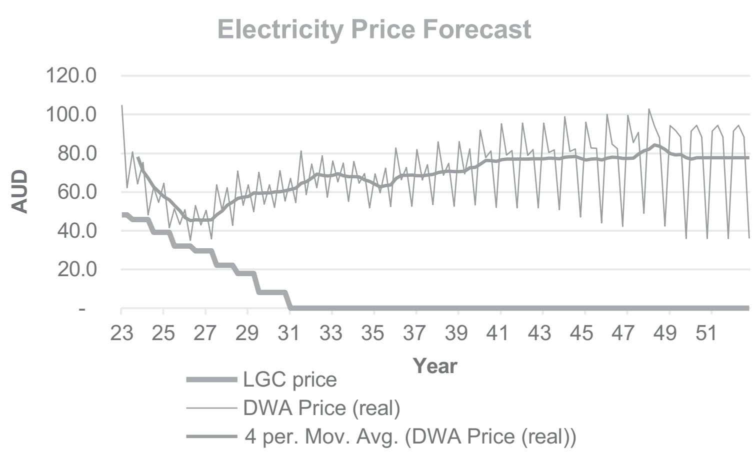
5.20 The agreed price for the first PPA, which accounts for 50% of the electricity generated, is fixed at $72.0 per MWh (bundle price including electricity and LGCs). The second PPA, which accounts for 10% of electricity generated, is fixed at $90.0 per MWh (bundle price including electricity and LGCs). Both prices will escalate annually at a fixed rate of 3% p.a.

5.21 The revenue forecasts of Moorabool North reflect these PPAs for the periods FY23 to FY30. Beyond this period, the revenue forecasts are exclusively based on the sale of electricity at merchant prices.

Merchant electricity price

5.22 The forecast merchant electricity price has been provided by Aurora[1]. We set out in the chart below the electricity price forecast by Aurora (in real 2021 values).

5.23 According to Aurora's forecast, the wholesale electricity price is expected to decline from its current high levels to 2026/7, before increasing as coal powered energy generation assets are retired.



Large-scale Generator Certificate ("LGC")

5.24 Forecast revenue of Moorabool North includes sales of LGCs. However, no revenue has been projected for sale of LGCs post 2030. Given the Large-scale Renewable Energy Target is only valid till 2030, we consider this assumption to be reasonable.

[1] *Moorabool Wind Farm Analysis report (electricity price outlook) dated 21 September 2022 prepared by Aurora Energy Research*

Energy Generation

5.25 We noted that K2 Management was engaged in preparing the Energy Yield Assessment[2] of Moorabool North, which is used in the financial projection by BJEI. Net energy yield of Moorabool North ranges from 496 to 502 GWh per annum.

Marginal Loss Factor and Economic Curtailment

5.26 Margin loss factor and economic curtailment were forecasted by Aurora[3] taking into account the current grid limit around Moorabool, the level of investment on grid in the long-term and the frequency of negative price events.

5.27 Estimated marginal loss factor and economic curtailment are in the range of 0.94x – 0.96x and 85.62% – 98.81% respectively.

Cost of borrowing

5.28 A debt margin of 1.7% has been assumed in the financial model, resulting in the forecasted cost of debt of 5.3% to 6.4% over the forecast period. Based on a debt premium range of 1.5% – 2% to risk-free rate, we estimated a cost of debt range 5.6% to 6.1% as at the Valuation. We have also cross-checked to the corporate yield of AUD 10-year BBB rating (sourced from Capital IQ) as of the Valuation Date, which was 5.9%. As such, we have considered the estimated cost of borrowing by client to be reasonable.

Inflation/CPI

5.29 BJEI applied a short-term inflation rate assumption of 3.1% to 6.1% in FY23, and long-term inflation rate of 2.5% from FY24. Based on recent RBA forecast[4], CPI of 4.75% is expected in 2023, reducing to around 3.0% by mid-2025. We have included an adjustment to the specific risk premium ("SRP") applied in our discount rate to account for the forecasting risk associated with the inflation assumptions.

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[2] *Energy Yield Assessment for Moorabool Wind Farm dated 11 November 2022 prepared by K2 Management*

[3] *Moorabool Wind Farm Analysis report (electricity price outlook) dated 21 September 2022 prepared by Aurora Energy Research*

[4] *RBA Statement on Monetary Policy February 2023*

6. VALUATION APPROACH

6.1 This Report provides our assessment of the estimated Market Value of the equity of Moorabool North as at the Valuation Date. The valuation has been prepared as a Valuation engagement as defined by APES 225.

6.2 In considering the estimated Market Value of an ordinary share, we have considered each of the following generally accepted valuation methods:

- Income approach (DCF);
- Market approach; and
- Asset-based approach.

Income approach (DCF)

6.3 The Discounted Cash Flows (DCF) technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value of the business remaining at the end of the forecast period. This method of valuation is appropriate to businesses and projects with finite lives, where cost and revenue estimates can be applied with reasonable certainty.

Market approach

6.4 This methodology involves capitalising the business's earnings using an appropriate capitalisation/earnings multiple which reflects the business's underlying risk profile and growth prospects.

6.5 This technique is appropriate when earnings of the business are regular, maintainable and sufficient to justify a value exceeding the value of the underlying assets.

6.6 A valuation based on the capitalisation of maintainable earnings requires the determination of four key features:

- maintainable earnings;
- an appropriate capitalisation rate;
- the current level of net debt; and
- the value of any surplus assets & liabilities.

6.7 When assessing maintainable earnings, consideration should be given as to whether adjustments are required to "normalise" those earnings, i.e. to exclude abnormal expenses/income from reported earnings.

6.8 The normalisation adjustments are generally to:

- Replace any non-arm's length expenses with equivalent expenses at market rate;
- Exclude items which are not related to the operations of the business;
- Exclude non-recurring items;
- Ensure that accounting policies are consistently applied; and
- Ensure that all relevant business income and expenses are included.

6.9 There are many earnings multiples commonly used such as the PE multiple, EBIT multiple, EBITDA multiple and operating cash flow multiple.

6.10 In selecting an appropriate multiple, a valuer should take into account the capital structure, capital intensity and taxation rates of the business. High gearing levels (high interest payments) or high capital intensity (large depreciation charges) and to a lesser extent differing taxation rates (different tax jurisdictions) have the propensity to cause distortions when comparing earnings across companies which may affect valuation. In theory, the value of a business is independent of its capital structure.

6.11 The earnings multiple must also reflect at least, the business risk, the business's future growth prospects and the time value of money.

6.12 Alternative to commonly used valuation multiple mentioned above, rules of thumb (or industry-specific multiples) could also be used in estimating the Market Value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the Market Value of a company than other commonly used valuation multiples because they may not account for company specific risks and factors.

Asset-based approach

6.13 An asset-based valuation is often used as a secondary valuation methodology when valuing trading operations on a going concern basis and assists in establishing the quantum of goodwill implicit in earnings-based valuations. However, it can also be used as the primary valuation methodology in certain circumstances.

6.14 An asset-based valuation is often dependent on obtaining independent valuations for certain assets, for example the market value of land, buildings and fixed assets is often different to the book value.

6.15 Asset-based methods are appropriate when a significant proportion of a company's assets are liquid, for asset holding companies or for a company that is not profitable.

6.16 Asset-based methods include:

- Orderly realisation of assets method;
- Liquidation of assets method; and
- Net assets on a going concern basis.

6.17 The value achievable in an orderly realisation of asset is estimated by determining the net realisable value of the assets or business segments on the basis of an assumed orderly realisation. This value includes a discount to allow for the time value of money and for reasonable costs of undertaking the realisation exercise. It is not a valuation on the basis of a forced sale, where assets may be sold at values materially different to their market value.

6.18 The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter timeframe.

6.19 The net assets on a going concern method estimates the market value of the net assets of a company but unlike the orderly realisation of assets method, it does not take into account realisation costs.

Selection of valuation approach

6.20 In selecting an approach and methodology to value Moorabool North, we have considered the following:

6.21 The income approach (DCF) is the most appropriate valuation methodology given the availability of long-term detailed forecasts. We have been provided with financial forecasts for the period from 1 January 2023 to 31 December 2052 which has been prepared by the Company using forecast assumptions supplied by Aurora Energy Research ("Aurora") and K2 Management ("K2M").

6.22 The DCF is commonly used in valuing long term infrastructure assets with varying operating, capital and funding cash flows.

6.23 The market approach is also considered appropriate as data of comparable transactions involving targets of a similar nature of Moorabool North (i.e. wind power assets) are readily available. Moreover, many listed companies have the same principal business as Moorabool North, allowing for the observation of trading multiples.

6.24 Asset-based approach is only appropriate when a company is not profitable, a significant proportion of the company's assets is liquid, or for asset holding companies.

6.25 Based on the above, we have assessed the Market Value of Moorabool North using the DCF as our primary method. In addition, we have performed the cross-check of the implied EV/EBITDA multiple and EV/MW multiple against the respective multiples of comparable listed companies and comparable transactions.

6.26 In applying the DCF, we have adopted the free cash flows to equity ("FCFE") to assess the valuation of Moorabool North. FCFE is the common approach adopted in valuing infrastructure assets given the varying capital structure over the life of the assets as projects are initially highly geared to fund construction, and as investors in infrastructure assets seek to maximise distributions over time through leverage.

7. VALUATION OF MOORABOOL NORTH

The DCF approach

7.1 We have utilised the DCF methodology, specifically the free cash flows to equity method, in valuing Moorabool North, as detailed in Appendix G. The following process was adopted:

- Performed an analysis of the historical financial performance and position of Moorabool North, as set out on the previous sections of this report;

- Utilised the profit and loss forecast prepared by management for Moorabool North. Using this forecast, constructed a FCFE forecast for use in our DCF methodology using the following formula in each year of the forecast period:

$$FCFE = EBITDA*(1 - Tax) + Depr*(Tax) - Capex - WCInv - Int*(1 - Tax) + Net\ borrowing + FC$$

Where:

o *EBITDA* is the earnings before interest tax depreciation and amortisation;

o *Depr* is the depreciation and amortisation;

- *Capex* is the capital expenditure;
- *WCInv* is the change in net working capital;
- *Int* is the interest expenses;
- *Tax* is the corporate tax rate;
- *FC* is the franking credits;

• Estimated the residual value of the project at the end of the forecast period;

• Determined an appropriate discount rate;

• Calculate the present value of the levered free cash flows and residual value using the selected discount rate using the following formula; and

$$Equity\ Value = \sum_{t=0}^{T} \frac{FCFE_t}{(1+r)^t} + \frac{Residual\ Value}{(1+r)^T}$$

Where:

- FCFE is free cash flows to equity as estimated above;
- T is the forecast period (which is finite lifetime); and
- r is the discount rate.

• Concluded on the equity value of Moorabool North.

Cash flow projections

Forecasts

7.2 The financial model is based on an estimated life of c.30 years ending in FY52. Based on the Lifetime Extension Analysis by K2 Management[5], the extended lifetime is estimated to be in the range of 25 to 35 years. Replacing or extending the life of the assets beyond the design life will require significant capital expenditure. Accordingly, we have considered cash flows up to 2052 and have not considered any operations post design life.

Revenue

7.3 The revenue forecast of Moorabool North has been based on:

- The projection of energy generation based on the *Energy Yield Assessment* report prepared by K2 Management;
- The forecast merchant electricity price, for 50% of the generation capacity, based on *Moorabool Wind Farm Analysis report (electricity price outlook)* prepared by Aurora Energy Research; and
- The fixed electricity price, for 50% of the generation capacity, in accordance with power purchase agreements.

Because the net energy yield is expected to be relatively stable over the forecast period, the forecast revenue growth are largely driven by movements in the forecast merchant electricity price. Please refer to Section 5 above for details of these assumptions.

EBITDA

7.4 Forecast operating expenses of Moorabool North comprises mainly O&M expenses, connection cost, asset management costs, insurance expenses, land lease costs and other expenses. Majority of the expenses are contracted with annual escalation factors at around the long term inflation rate. Please refer to Section 5 above for analysis of Moorabool North's expenses.

[5] *Lifetime Extension Analysis for Moorabool Wind Farm dated 19 October 2022 prepared by K2 Management;*

7.5 The forecast EBITDA margin of Moorabool North varies between 59% to 78% over the forecast period. Because a large part of the cost structure is fixed by contracts, movements in the EBITDA margin are driven mainly by movements in the forecast merchant electricity price. Please refer to Section 5 above for details of the forecast merchant electricity price.

Interest expenses

7.6 The forecast interest expense was estimated based on a cost of borrowing of 5.3% to 6.4% and an annual repayment schedule ending 30 September 2052. Please see Section 5 for a discussion on the cost of borrowing.

Tax rate and Franking credits

7.7 Australia corporate tax rate of 30% was applied in estimating the forecast cash flows.

7.8 We have considered the value of franking credits generated by Moorabool North, which are derived from taxation on income derived in Australia. As franking credits can only be utilised by Australia tax residents, their benefits depend on investors' individual circumstances.

7.9 The franking credits are reflected in the forecast cash flows at a utilisation rate of 80%. No adjustment has been made to the tax rate or discount rate.

AASB 16

7.10 Management's forecasts include land lease expenses. As a result, the forecasted depreciation expense excludes depreciation relating to ROU assets recognised under AASB 16 *Leases* ("AASB 16"). Our DCF has been performed using cash flows on a pre-AASB 16 basis with a corresponding discount rate.

Capital expenditure ("Capex")

7.11 Following the successful commissioning of Moorabool North, future capex investment is limited to repairs and maintenance. Future maintenance works have been expensed in the forecasts under operations and maintenance ("O&M"). BJEI has forecasted O&M to increase 2.5% annually over the forecast period. Refer to the financial performance summary in Section 5 for further details of the O&M expenses.

Movement in net working capital

7.12 Management has assumed days sales outstanding of 30 days and days payable outstanding of 30 days in forecasting the working capital requirement. We have relied on management's net working capital forecast in estimating FCFE.

Residual value

7.13 The residual value of a generating asset is the amount it is worth at the conclusion of its project. Management has estimated a net residual value of $39.9m at the end of the 30-year forecast period. We understand that management has included the potential restoration costs in the forecasts via the calculation of the residual value of the wind farm. Hence, we have not included the restoration provision in our calculation of the enterprise value on the premise that the rehabilitation costs are already considered in the calculated equity value.

7.14 Based on our calculation, residual value contributes to less than 1% of the estimated valuation of Moorabool North as at the Valuation Date.

Applicable discount rate

7.15 The applicable discount rate is the likely rate of return an investor in Moorabool North would require. The applicable discount rate assessed for the purpose of valuing Moorabool North has been based on cost of equity estimated using the Capital Asset Pricing Model ("CAPM").

7.16 The methodology adopted in calculating the discount rate is contained in Appendix E. Based on this methodology, we have derived a discount rate in the range of 9.8% and 11.4% as at the Valuation Date.

Market Value of Moorabool as at 31 December 2022 under DCF methodology

7.17 We set out in the table below our assessment of the equity value of Moorabool North as at the Valuation Date. Please refer to Appendix G for our detailed FCFE calculation of Moorabool North.

DCF Valuation of Moorabool North

AUD'million	**Low**	**Mid**	**High**
Discount rate applied	11.4%	n.a.	9.8%
Equity Value from FCFE	**145.4**	**157.4**	**169.3**
(+) Net debt	196.6	196.6	196.6
(+) Non-operating liabilities	19.0	19.0	19.0
Total Enterprise Value	**361.0**	**373.0**	**384.9**

Source: RSM analysis

Note – Mid-point valuation is the average of low and high valuations.

Market Approach Cross-Check

7.18 We have utilised the market methodology as our secondary 'cross-check' valuation methodology in determining the value of Moorabool North.

7.19 In calculating the enterprise value for the cross-check, we have added back the non-operating liabilities (which relates to deferred tax liabilities) and lease liabilities to ensure comparability with the observed data of comparable companies and transactions.

7.20 We have set out in the table below the multiples implied based on our DCF valuation.

Valuation Cross-check

AUD'million	**Low**	**Mid**	**High**
Equity Value from FCFE	**145.4**	**157.4**	**169.3**
(+) Net debt	196.6	196.6	196.6
(+) Non-operating liabilities	19.0	19.0	19.0
Total Enterprise Value	**361.0**	**373.0**	**384.9**
(+) Lease Liabilities	12.6	12.6	12.6
Total Enterprise Value (incl. Lease)	**373.6**	**385.6**	**397.5**
FY23F EBITDA (Normalised)	33.0	33.0	33.0
FY24F EBITDA (Normalised)	27.3	27.3	27.3
Implied EV/EBITDA multiple			
FY23	11.3x	11.7x	12.1x
FY24	13.7x	14.1x	14.5x
Installed capacity	150	150	150
Implied EV/MW multiple	2.5x	2.6x	2.7x

Source: RSM analysis

Normalised EBITDA

7.21 The contracted O&M expenses are $2.4m p.a. for year 1-2 (i.e. from June 2022 to June 2024) and $5.3m p.a. for year 3-10. We have adjusted the forecasted EBITDA in FY23 and FY24 by adding an additional O&M expense to align it with the $5.3m p.a. expense for year 3-10 under WOM contract.

7.22 As the observed forward trading multiples are presented on post-AASB 16 basis, the land lease expense has been added back to ensure comparability.

Normalised EBITDA

AUD'million	**FY23 (F)**	**FY24 (F)**
EBITDA	34.9	27.7
Normalisations		
O&M	(2.9)	(1.5)
Normalised EBITDA (pre-AASB16)	**32.0**	**26.3**
Land lease expense	1.0	1.0
Normalised EBITDA (post-AASB16)	**33.0**	**27.3**

Source: RSM Analysis

Selection of valuation multiples

7.23 In our assessment of an appropriate multiple to be applied in our cross-check, we have considered the following:

- Given Moorabool North commenced full commercial operations in June 2022, historical EBITDA is not reflective of maintainable earnings of a full financial year. As such, we have applied forward EBITDA multiples including EV/EBITDA FY23F and EV/EBITDA FY24F.

- Comparable listed company EV/EBITDA FY23F multiples (excluding outliers) range from 7.6x to 24.4x, with mean and median of 14.2x and 14.3x, respectively.

- Comparable listed company EV/EBITDA FY24F multiples (excluding outliers) range from 8.2x to 22.3x, with mean and median of 13.5x and 12.7x, respectively.

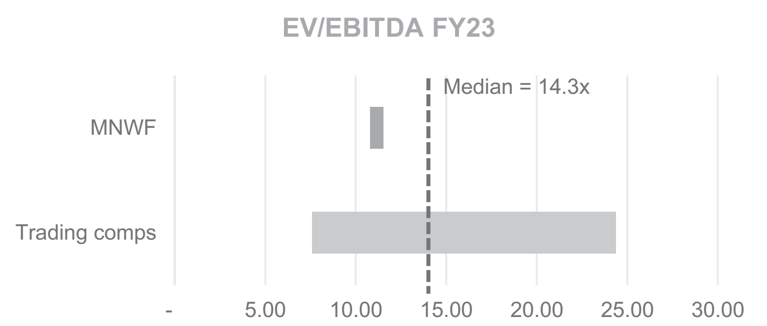
- Observable EV/EBITDA multiples of historical transactions comparable to Moorabool North were not available.

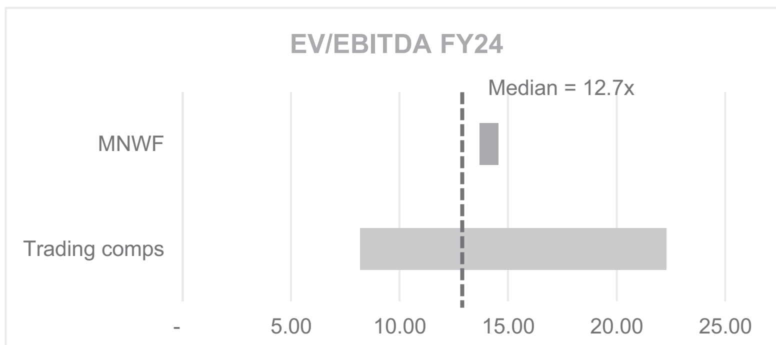
7.24 In addition, we have utilised EV/MW multiples in our cross-check analysis. In this regard, we have considered the following:

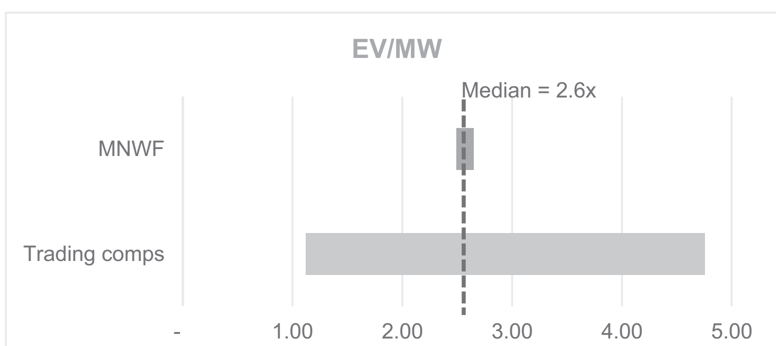
- Comparable listed company EV/MV multiples (excluding outliers) range from 1.1x to 6.2x, with mean and median multiples of 3.0x and 2.6x, respectively.

- Implied EV/MW multiples of transactions involving international targets comparable to Moorabool North (excluding outliers) range from 0.8x to 5.4x, with mean and median multiples of 2.7x and 2.4x respectively.

7.25 Having regard to the above and applying our experience and professional judgement, we consider the implied EV/EBITDA FY23F, EV/EBITDA FY24F and EV/MW multiples to be reasonable.







8. VALUATION ASSUMPTIONS

General assumptions

8.1 The valuation reflects the equity in the legal entities being sold by Goldwind. We have not incorporated factors specific to the deal structure of the Transaction.

8.2 Open market assumption: Both parties of the Transaction are assumed to be in equal position for the assets to be traded or proposed to be traded in the market, where opportunities and time are available for both to access adequate market information, in order to make rational judgements on the functions, uses and transaction prices of the assets.

8.3 Going concern assumption: The appraised entity is assumed to fully comply with all relevant laws and regulations and will operate sustainably in the useful life of machinery and equipment.

Special assumptions

8.4 This valuation regards the specific valuation purpose listed in this Report as its premises of basic assumptions.

8.5 This valuation assumes the full accountability of Moorabool North's management team in the future, the existing business management mode are kept, and the business scope and approach remain consistent with the forecast direction.

8.6 This valuation assumes the valued assets are in continuous use according to the present use and its mode, size, frequency and environment of use, without taking into account the respective optimal use of each asset.

8.7 It is assumed that, on top of the existing management mode and management level, there will be no material adverse impacts on Moorabool North arising from other force majeure and unforeseeable factors.

8.8 The relevant basic information and financial information provided by the Company are true, accurate and complete.

8.9 The valuation is only based on the financial information provided by the Company, without taking into account the possible contingent assets and contingent liabilities outside of the list provided by the Company.

8.10 The financial report and transaction data of the comparable companies which we rely on are true and reliable.

8.11 This valuation assumes Moorabool North would obtain a net cashflow evenly during a forecast period.

Valuation limitations

8.12 This valuation conclusion estimates the Market Value of valuation target on the basis of the valuation purpose and under the assumption of open market, without considering the impact on the value caused by the potentially increased or decreased price resulted from the special transaction method, or the impact on the changes of the macroeconomic environment and the natural force and other force majeure.

8.13 The Valuation Date adopted by the valuation report has been stated hereinabove, and our estimate of the value is based on the purchasing power of the currency of the place where Moorabool North is located as at the Valuation Date.

8.14 The valuation conclusion of this report is based on the aforesaid assumptions and limitations. When events that are inconsistent with the aforesaid assumptions and limitations occur, this valuation conclusion will generally be invalid.

9. VALUATION CONCLUSION

9.1 Based on the valuation methodology adopted and the analysis and discussion in this report, we have assessed the Market Value of the equity of Moorabool North as at the 31 December 2022 to be in the range of AUD145.4m and AUD169.3m, with a midpoint of AUD157.4m.

Valuation of Moorabool North

AUD'million	Low	Mid	High
Discount rate applied	11.4%	n.a.	9.8%
Equity Value from FCFE	**145.4**	**157.4**	**169.3**
(+) Net debt	196.6	196.6	196.6
(+) Non-operating liabilities	19.0	19.0	19.0
Total Enterprise Value	**361.0**	**373.0**	**384.9**

Source: RSM analysis

Note 1: Our DCF has been based on the available free cash flows to equity ("FCFE") by applying an appropriate cost of equity.

Note 2: Mid point valuation is the average of low and high valuations.

Yours faithfully

Andrew Clifford
Director

Nadine Marke
Director

APPENDICES

APPENDIX A – DECLARATIONS AND DISCLAIMERS

Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM), a large national firm of chartered accountants and business advisors.

Andrew Clifford is a director of RSM Corporate Australia Pty Ltd. Andrew Clifford is a Chartered Accountant with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This report has been prepared solely for disclosure of the Transaction in the circular to the shareholders of BJEI in accordance with Chapter 14 – HKEX. We do not assume any responsibility or liability to any party as a result of reliance on this report for any other purpose.

Reliance on Information

Statements and opinions contained in this report are given in good faith. In the preparation of this report, we have relied upon information provided by the Directors and management of the Company, and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

At the date of this report, none of RSM Corporate Australia Pty Ltd, RSM, Andrew Clifford, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the Transaction, except that RSM Corporate Australia Pty Ltd are expected to receive a fixed fee based on time occupied at normal professional rates for the preparation of this report.

Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this report in the form and context in which it is included with the Circular to be issued to Shareholders. Other than this report, none of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd has been involved in the preparation of the Circular. Accordingly, we take no responsibility for the content of Circular.

APPENDIX B – SOURCES OF INFORMATION

In preparing this report, we have relied upon the following principal sources of information:

- Financial projection of Moorabool North from FY23 to FY52;
- Management accounts of Moorabool North as at 31 December 2022;
- Audited financial statements of Moorabool North as at 31 December 2022;
- Moorabool Wind Farm Analysis report (electricity price outlook) dated 21 September 2022 prepared by Aurora Energy Research;
- Energy Yield Assessment for Moorabool Wind Farm dated 11 November 2022 prepared by K2 Management;
- Technical Due Diligence for Moorabool Wind Farm dated 2 November 2022 prepared by K2 Management;
- Lifetime Extension Analysis for Moorabool Wind Farm dated 19 October 2022 prepared by K2 Management;
- Project Mitchell financial vendor due diligence report dated 18 November 2022 prepared by KPMG;
- Project Mitchell tax vendor due diligence report dated 6 September 2022 prepared by KPMG;
- Moorabool North and South Wind Farms legal due diligence report dated 23 November 2022 prepared by Allens Linklaters;
- Reserve Bank of Australia website;
- Moorabool website;
- Data providers including IBISWorld, Capital IQ & MergerMarket; and
- Discussion with Management.

APPENDIX C – GLOSSARY OF TERMS

Term	Definition
$	Australian dollars
%	Percentage
c	circa
k	Thousand
m	Million
AASB 16	Australian Accounting Standards Board, Standard 16 – Leases
APES 225	Australia Professional Ethical Standard 225 – Valuation Services
BJEI or Company	Beijing Energy International Holding Co., Ltd.
Call Option	The call option allows MNSWF to purchase additional 26% in Moorabool North
Capex	Capital Expenditure
CAPM	Capital Asset Pricing Model
CPI	Consumer Price Index
DCF	Discounted cashflow methodology
EBITDA	Earnings before interest, tax, depreciation and amortisation
Engagement Letter	Letter of engagement dated 13 February 2023
Enterprise Value (EV)	The value of a business enterprise on a debt free, cash free basis
EPC	Engineering, procurement and construction
Equity Value	The owner's interest in a company after deduction of net debt from Enterprise Value
FCFE	Free cash flows to equity
Forecast Period	FY23 to FY52

Forward Looking Information	Forecast statements and information provided up to 31 December 2052
FY	Financial year ending 31 December
Historical Period	FY22
Initial Acquisition	The acquisition of 25% in Moorabool North by MNSWF
K2M	K2 Management
LGC	Large-scale Generator Certificate
Management	Management of the Company
Market Value	The estimated amount for which an asset should exchange, on the date of valuation, between a willing buyer and a willing seller in an arms' length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion
MNWF or Moorabool North	Moorabool Wind Farm Pty Ltd
MNSWF or Purchaser	MNS Wind Finance Pty Ltd
MSWF or Moorabool South	Moorabool South Wind Farm Pty Ltd
Net debt	The amount of debt of a business after deducting cash from total interest bearing liabilities
Normalise	Adjustments made to earnings to exclude abnormal expenses or income
O&M	Operating and maintenance
p.a.	Per annum
PPA	Power purchase agreement
PPE	Property, plant and equipment
Regeared	Adjusting the Beta for the industry average gearing ratio and the assessed optimal capital structure

Report	Valuation report
ROU	Right-of-use
RSM	RSM Corporate Australia Pty Ltd
Transaction	The acquisition of 51% shareholding interest in Moorabool North by MNSWF
Valuation Date	31 December 2022

APPENDIX D – INDUSTRY OVERVIEW

Industry Reports

The following industry information has been extracted from IBISWorld reports:

- Wind and Other Electricity Generation in Australia
- The 'wind and other electricity generation sector' report includes firms that generate electricity using wind, geothermal, tidal, biomass and other renewable energy sources with the largest sector being wind electricity generation.

Industry's performance over last five years (2017-2022)

Between 2018 and 2023, the industry revenue increased to $2.6 billion, with an annual growth rate of 3.3%. The industry also experienced a surge in its profit margins, which reached 21.0%.

The industry was, during the COVID-19 pandemic, aided by state and federal government assistance as they dealt with dampened demand for electricity brought about by the lockdowns and strict community-based guidelines Australia experienced. Furthermore, the Renewable Energy Targets set by the government are expected to bolster demand for renewable energy alternatives and in particular wind energy.

Over the last five years, large-scale wind farm investment has exploded, driven by stronger consumer and investor demand. This increase in investment as well as growth within the industry has been driven by key external factors. These factors include the rising of electricity wholesale prices to unprecedented levels, due to the inflated commodity prices the economy has seen over the last year because of the conflict between Russia and Ukraine. In combination with this inflation of commodity prices, the subsequent decrease in demand for fossil fuel electricity generation meant demand for renewable energy sources increased substantially towards the end of the period (2021-22). Growing public concern over environmental issues have also aided growth as it has materialized in the Australian market in the governments Renewable Energy Targets, that are pushing Australia to rely more on the energy produced from renewable sources. In particular, Victoria has its sights on achieving 2GW of offshore wind electricity generation capacity by 2032.

Outlook over the next 5 years

The industry's outlook for the next five years is predicted to be unstable due to a mixture of positive and negative factors. The industry is expected to benefit from increased investment, growing interest among large companies to secure Power Purchase Agreements ("PPAs"), and continued government pressure to adopt sustainable energy sources, which will drive up demand. On the other hand, the industry may face increased competition, especially for Large-scale Generation Certificates ("LGCs"), reduced tensions between Russia and Ukraine, which could lead to a resurgence of demand for fossil fuel-generated energy and lower commodity prices, and larger market players consolidating their market share.

This combination is expected to result in a slowdown in the industry's expansion, with projected revenue of $2.7 billion in 2028 at annualized growth rate of 0.8% over the next five years. Simultaneously, the profit margin is expected to decline by 2.8% to 18.2% of revenue, as wholesale prices return to normal levels from their historic peak.

APPENDIX E – DISCOUNT RATE CALCULATION

Required rate of return on equity capital

Cost of Equity	Low	High
Risk free rate	4.1%	4.1%
Beta	0.70	0.80
Market risk premium	6.0%	6.0%
Company specific risk factor	1.5%	2.5%
Cost of equity	9.8%	11.4%

Source: Capital IQ and RSM calculations

The Capital Asset Pricing Model ("CAPM") is used to estimate the cost of equity, being the required rate of return or cost of equity of a business.

The CAPM determines the cost of equity by the following formula:

$$Re = Rf + \beta(Rm - Rf) + \alpha$$

The components of the formula are as follows:

Re = Required return on equity;
Rf = Risk free rate of return;
Rm = the expected return from a market portfolio;
β = Beta, a measure of the systematic risk of a stock; and
α = specific company risk premium.

Risk Free Rate (Rf)

The risk-free rate of return compensates investors for the time value of money.

The government bond rate is widely used and is an accepted benchmark for the risk-free return. We have applied risk-free rate based on the yield of Australian Government bonds using a 10-year zero coupon rate as at each Valuation Date.

Market risk premium (Rm)

This represents the additional risk in holding the market portfolio of investments. The term (Rm–Rf) represents the additional return required, above the risk-free rate, to hold the market portfolio of investments. (Rm–Rf) is known as the Equity Market Risk Premium.

There are a number of studies around the Equity Market Risk Premium with, generally, most estimates falling within a range of 4% to 8%.

Using our professional judgement, RSM has assessed the Equity Market Risk Premium (Rm–Rf) for Moorabool North to be 6%.

This is consistent with the standard premium applied by most valuation practitioners when assessing the market risk premium as at the Valuation Date.

Beta (β)

The beta coefficient measures the systematic risk of a company compared to the market as a whole. A beta of 1 indicates that the company's risk is comparable to that of the market.

A beta greater than 1 represents higher than market risk and a beta below 1 represents lower than market risk.

In assessing beta, we have considered the betas for comparable companies. The equity betas are adjusted to remove the effect of company specific debt levels resulting in an unlevered beta. The unlevered betas are then relevered based upon an assessment of the average industry gearing ratio and the assessed optimal capital structure which is discussed in more detail below.

Based on our beta analysis, we have considered beta range of 0.7 to 0.8 in calculating the cost of equity.

Company	Country	Levered Beta	Selected
Genex Power Limited	Australia	0.57	Y
Genesis Energy Limited	New Zealand	1.14	Y
Meridian Energy Limited	New Zealand	1.75	Y
NZ Windfarms Limited	New Zealand	2.35	N
Mercury NZ Limited	New Zealand	1.16	Y
Audax Renovables, S.A.	Spain	0.32	N
Arise AB (publ)	Sweden	0.81	Y
Neoen S.A.	France	0.51	Y
Voltalia SA	France	0.41	Y
Boralex Inc.	Canada	0.36	N
Alerion Clean Power S.p.A.	Italy	0.78	Y
clearvise AG	Germany	0.17	Y
ABO Wind AG	Germany	1.34	N
Energiekontor AG	Germany	1.17	Y
Greencoat Renewables PLC	Ireland	0.05	N
Orrön Energy AB (publ)	Sweden	2.55	N

Company	Country	Levered Beta	Selected
Cloudberry Clean Energy ASA	Norway	1.95	N
EDP Renováveis, S.A.	Spain	0.28	Y
Clearway Energy, Inc.	United States	0.37	N
Brookfield Renewable Corporation	United States	0.57	Y
Selected Comps	**Low**	**0.17**	
	High	**1.75**	
	Mean	**0.78**	
	Median	**0.68**	

Source: Capital IQ and RSM analysis

Note: Outliers are marked as "N" in column "Selected"

APPENDIX F – COMPARABLE COMPANIES AND TRANSACTION MULTIPLES

Comparable trading companies' multiples

Company Name	Country	EV/EBITDA FY23	EV/EBITDA FY24	EV/MW Multiple	Selected
Genex Power Limited	Australia	24.4x	22.3x	1.3x	Y
Genesis Energy Limited	New Zealand	8.6x	8.8x	2.3x	Y
Meridian Energy Limited	New Zealand	18.4x	18.2x	4.5x	Y
NZ Windfarms Limited	New Zealand	NA	NA	1.1x	Y
Mercury NZ Limited	New Zealand	14.9x	14.1x	NA	Y
Audax Renovables, S.A.	Spain	16.5x	12.7x	5.5x	Y
Arise AB (publ)	Sweden	4.1x	5.5x	2.0x	N
Neoen S.A.	France	15.5x	14.8x	2.7x	Y
Voltalia SA	France	13.4x	12.4x	2.9x	Y
Boralex Inc.	Canada	12.7x	11.4x	2.6x	Y
Alerion Clean Power S.p.A.	Italy	14.7x	14.1x	4.8x	Y
clearvise AG	Germany	7.6x	8.2x	1.4x	Y
ABO Wind AG	Germany	17.7x	16.6x	NA	Y
Energiekontor AG	Germany	12.4x	11.7x	6.2x	Y
Greencoat Renewables PLC	Ireland	16.2x	16.5x	2.6x	Y
Orrön Energy AB (publ)	Sweden	171.6x	85.8x	2.2x	N
Cloudberry Clean Energy ASA	Norway	10.9x	10.5x	2.3x	Y
EDP Renováveis, S.A.	Spain	12.7x	12.5x	3.2x	Y
Clearway Energy, Inc.	United States	10.6x	10.3x	2.2x	Y
Brookfield Renewable Corporation	Canada	14.3x	13.8x	1.9x	Y
Min		**4.1x**	**5.5x**	**1.1x**	
Max		**171.6x**	**85.8x**	**6.2x**	
Mean		**21.9x**	**16.9x**	**2.9x**	
Median		**14.3x**	**12.7x**	**2.5x**	
Selected					
Min		**7.6x**	**8.2x**	**1.1x**	
Max		**24.4x**	**22.3x**	**6.2x**	
Mean		**14.2x**	**13.5x**	**3.0x**	
Median		**14.3x**	**12.7x**	**2.6x**	

Source: Capital IQ

Note: Outliers are marked as "N" in column "Selected"

Comparable transactions' multiples

Date	Target Company	Country	Implied EV/ MW	Selected
NA	250-MW Blooming Grove Wind Farm of Invenergy LLC	United States	2.6x	Y
01-02-23	ACEN Australia Pty Ltd	Australia	0.1x	N
22-12-22	Borkum Riffgrund 2	Germany	4.2x	N
20-12-22	ContourGlobal plc	United Kingdom	2.0x	N
30-11-22	Bullfrog Power Inc.	Canada	–	N
27-09-22	Tri Global Energy, LLC	United States	0.1x	N
22-08-22	Portfolio of Operating Wind Projects	United States	1.5x	Y
31-07-22	Greenalia, S.A.	Spain	7.5x	N
04-07-22	Infinergy Limited	United Kingdom	0.2x	N
01-02-22	Kempstone Hill Wind Energy Limited	United Kingdom	5.4x	Y
03-08-21	Tilt Renewables Limited	New Zealand	6.5x	N
11-05-21	Mainstream Renewable Power Limited	Ireland	0.1x	N
01-04-21	SR Energy AB	Sweden	–	N
30-03-21	Portfolio Of Wind Farm Assets in Australia	Australia	1.4x	Y
26-02-21	Phase A and B of Dogger Bank 2.4 GW Project	United Kingdom	1.5x	Y
23-02-21	Braes of Doune Wind Farm (Scotland) Limited	United Kingdom	2.4x	Y
19-01-21	Portfolio of Four Wind Facilities in Texas	United States	4.8x	Y
15-01-21	Moose Lake Wind Farm	Canada	0.8x	Y
11-01-21	Audax Renovables, S.A.	Spain	20.5x	N
07-01-21	171 MW portfolio of onshore wind projects	Finland	2.3x	Y
31-10-20	Portfolio of wind generating assets of Brookfield Renewable Partners L.P. and Invenergy LLC	United States	2.5x	Y
21-10-20	Iberdrola Australia Limited	Australia	–	Y
14-10-20	119-megawatt Willogoleche wind farm	Australia	4.5x	Y
09-10-20	Greencoat Renewables PLC	Ireland	2.7x	Y
30-09-20	Oceanwind AS	Norway	0.0x	N
24-09-20	Borkum Riffgrund 2	Germany	4.1x	Y
02-09-20	Walney (UK) Offshore Windfarms Limited	United Kingdom	6.9x	N
24-08-20	Pluckanes Windfarm Limited	Ireland	2.5x	Y
28-07-20	Tatanka Ridge Wind Farm	United States	2.7x	Y
26-06-20	Windlab Limited	Australia	0.1x	N
12-06-20	Greenalia, S.A.	Spain	–	N
13-01-20	Stockyard Hill Wind Farm Pty Ltd	Australia	0.6x	N
18-12-19	Macarthur Wind Farm in Australia	Australia	4.2x	Y

Date	Target Company	Country	Implied EV/ MW	Selected
17-12-19	270 MW Snowtown 2 Wind Farm of Tilt Renewables Limited	Australia	3.9x	Y
01-11-19	One Wind Services Inc.	Canada	–	N
02-09-19	Perth Energy Pty Ltd	Australia	–	N
10-01-19	Upstream Wind Energy Center	United States	2.4x	Y
31-08-18	Bishop Hill III Wind Energy Center in Henry County, Illinois	United States	1.9x	Y
21-08-18	115 MW El Arrayán Wind Project	Chile	1.1x	Y
31-05-18	Tilt Renewables Limited	New Zealand	2.1x	Y
15-05-18	Parc Eolien du Melier, Parc Eolien de la Vallée de Torfou and Epuron Energies Renouvelables	France	0.1x	N
03-05-18	Neart na Gaoithe Wind Farm Project of Mainstream Renewable Power Limited	United Kingdom	2.3x	Y
01-03-18	GVO Wind Limited and Bluemerang Capital Limited	United Kingdom	6.6x	N
	Min		**0.0x**	
	Max		**20.5x**	
	Average		**3.1x**	
	Median		**2.4x**	
Selected	**Min**		**0.8x**	
	Max		**5.4x**	
	Mean		**2.7x**	
	Median		**2.4x**	

Source: Capital IQ, Annual Reports

Note: Outliers are marked as "N" in column "Selected"

APPENDIX G – DISCOUNTED CASH FLOW

Discounted Cash Flow

$'mil		FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
Total revenue		**44.9**	**41.1**	**38.2**	**38.3**	**39.7**	**41.6**	**41.2**	**41.5**	**41.1**	**44.0**	**44.7**	**43.8**	**43.7**
Operating Expenditure		(10.0)	(13.3)	(13.5)	(13.7)	(14.4)	(15.0)	(15.3)	(15.7)	(16.1)	(16.5)	(16.9)	(17.3)	(17.7)
EBITDA		**34.9**	**27.7**	**24.8**	**24.5**	**25.3**	**26.6**	**25.9**	**25.8**	**25.0**	**27.5**	**27.8**	**26.5**	**26.0**
Depreciation		(14.1)	(14.1)	(14.1)	(14.1)	(13.4)	(12.8)	(12.8)	(12.8)	(12.8)	(12.8)	(12.8)	(12.8)	(12.8)
Operating cash flow before tax less depreciation		**20.8**	**13.7**	**10.7**	**10.5**	**11.8**	**13.8**	**13.0**	**12.9**	**12.1**	**14.7**	**15.0**	**13.7**	**13.2**
Less: Taxes		(6.6)	(4.5)	(3.6)	(3.5)	(3.7)	(4.1)	(3.9)	(3.9)	(3.6)	(4.4)	(4.5)	(4.1)	(3.9)
Add: Decreases in NWC		2.1	0.5	0.2	(0.1)	(0.0)	(0.1)	0.2	(0.1)	0.3	(0.0)	0.1	0.2	(0.1)
Add: Depreciation		14.1	14.1	14.1	14.1	13.4	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8
Unlevered free cash flow		**30.4**	**23.8**	**21.4**	**20.9**	**21.5**	**22.4**	**22.1**	**21.8**	**21.7**	**23.1**	**23.4**	**22.6**	**22.0**
Less: Interest*(1-Tax)	30.0%	(3.9)	(7.3)	(7.0)	(6.8)	(6.6)	(6.5)	(6.3)	(6.0)	(5.7)	(5.4)	(4.8)	(4.3)	(4.1)
Add: Net borrowing		(5.8)	(6.9)	(5.8)	(5.8)	(6.6)	(6.1)	(7.7)	(8.0)	(5.1)	(6.7)	(2.1)	(3.5)	(3.8)
Levered free cash flow (pre-Franking Credits)		**20.8**	**9.6**	**8.6**	**8.3**	**8.2**	**9.8**	**8.1**	**7.8**	**10.9**	**11.0**	**16.5**	**14.7**	**14.0**
Add: Franking Credits	80.0%	7.1	3.3	1.6	0.4	0.6	1.0	0.9	1.0	0.9	1.6	1.9	1.7	1.7
Levered free cash flow		**27.9**	**12.9**	**10.2**	**8.6**	**8.9**	**10.8**	**9.0**	**8.8**	**11.8**	**12.6**	**18.4**	**16.5**	**15.7**
Residual value														
Discount periods (mid-point discounting)		0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5
Discount factor	9.8%	1.0	0.9	0.8	0.7	0.7	0.6	0.5	0.5	0.5	0.4	0.4	0.3	0.3
Present value		**26.6**	**11.2**	**8.1**	**6.2**	**5.8**	**6.4**	**4.9**	**4.4**	**5.3**	**5.2**	**6.9**	**5.6**	**4.9**
High NPV	**169.3**													
Residual value														
Discount periods (mid-point discounting)		0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5
Discount factor	11.4%	0.9	0.9	0.8	0.7	0.6	0.6	0.5	0.4	0.4	0.4	0.3	0.3	0.3
Present value		26.5	10.9	7.8	5.9	5.5	5.9	4.5	3.9	4.7	4.5	6.0	4.8	4.1
Low NPV	**145.4**													

$'mil	FY2036	FY2037	FY2038	FY2039	FY2040	FY2041	FY2042	FY2043	FY2044	FY2045	FY2046	FY2047	FY2048	FY2049	FY2050	FY2051	FY2052
Total revenue	**47.7**	**48.8**	**50.6**	**53.4**	**55.6**	**57.1**	**58.7**	**60.5**	**61.9**	**62.6**	**64.7**	**70.4**	**72.1**	**70.0**	**71.1**	**72.8**	**40.2**
Operating Expenditure	(18.2)	(18.6)	(19.0)	(19.5)	(20.0)	(20.5)	(21.0)	(21.5)	(22.0)	(22.6)	(23.1)	(23.7)	(24.3)	(24.9)	(25.5)	(26.2)	(13.4)
EBITDA	**29.5**	**30.2**	**31.6**	**33.9**	**35.6**	**36.6**	**37.7**	**39.0**	**39.9**	**40.0**	**41.6**	**46.6**	**47.8**	**45.1**	**45.6**	**46.6**	**26.8**
Depreciation	(12.8)	(12.8)	(12.8)	(12.8)	(12.8)	(12.8)	(12.8)	(12.8)	(12.8)	(12.8)	(12.8)	(6.4)	0.0	0.0	0.0	0.0	0.0
Operating cash flow before tax less depreciation	**16.7**	**17.4**	**18.7**	**21.1**	**22.8**	**23.8**	**24.9**	**26.2**	**27.1**	**27.2**	**28.8**	**40.2**	**47.8**	**45.1**	**45.6**	**46.6**	**26.8**
Less: Taxes	(5.0)	(5.2)	(5.6)	(6.3)	(6.8)	(7.1)	(7.5)	(7.9)	(8.1)	(8.2)	(8.6)	(12.1)	(14.3)	(13.5)	(13.7)	(14.0)	(8.0)
Add: Decreases in NWC	0.0	(0.0)	0.0	(0.0)	0.1	(0.0)	(0.0)	0.0	0.2	0.2	0.1	(0.4)	0.4	0.5	0.0	0.0	0.4
Add: Depreciation	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	6.4	0.0	0.0	0.0	0.0	0.0
Unlevered free cash flow	**24.5**	**24.9**	**26.0**	**27.6**	**28.9**	**29.5**	**30.2**	**31.2**	**32.0**	**32.0**	**33.1**	**34.1**	**33.9**	**32.0**	**31.9**	**32.6**	**19.1**
Less: Interest*(1-Tax)	(4.0)	(3.8)	(3.6)	(3.4)	(3.3)	(3.1)	(2.9)	(2.7)	(2.5)	(1.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Add: Net borrowing	(4.1)	(4.3)	(3.6)	(4.8)	(5.1)	(5.4)	(5.7)	(5.3)	(6.4)	(6.7)	(7.1)	(7.5)	(7.9)	(8.3)	(8.8)	(9.2)	(7.3)
Levered free cash flow (pre-Franking Credits)	**16.4**	**16.8**	**18.7**	**19.3**	**20.5**	**21.0**	**21.7**	**23.2**	**23.2**	**23.6**	**26.0**	**26.7**	**26.0**	**23.7**	**23.2**	**23.4**	**11.9**
Add: Franking Credits	2.6	2.8	3.2	3.8	4.3	4.6	4.9	5.3	5.6	5.9	6.9	9.1	8.9	8.1	7.9	8.0	4.1
Levered free cash flow	**19.0**	**19.6**	**21.9**	**23.1**	**24.8**	**25.6**	**26.6**	**28.5**	**28.7**	**29.6**	**32.9**	**35.8**	**34.9**	**31.9**	**31.1**	**31.4**	**16.0**
Residual value																	39.9
Discount periods (mid-point discounting)	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5	25.5	26.5	27.5	28.5	29.5
Discount factor	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Present value	5.4	5.1	5.2	5.0	4.9	4.6	4.3	4.2	3.9	3.6	3.7	3.7	3.3	2.7	2.4	2.2	3.6
High NPV																	
Residual value																	39.9
Discount periods (mid-point discounting)	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5	25.5	26.5	27.5	28.5	29.5
Discount factor	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Present value	4.4	4.1	4.1	3.9	3.8	3.5	3.3	3.1	2.8	2.6	2.6	2.6	2.2	1.8	1.6	1.5	2.3
Low NPV																	

Source: Management forecasts, RSM analysis

APPENDIX H – TRADING COMPARABLE COMPANIES

Company	Business Description
Genex Power Limited	Genex Power Limited develops and commercializes renewable energy generation and storage projects in Australia. The company generates power through hydro, wind, and solar projects. Its flagship project is the Kidston Clean Energy Hub comprising 50MW solar project and the 250MW Kidston Pumped hydro project located in the north Queensland. The company was incorporated in 2011 and is based in Sydney, Australia.
Genesis Energy Limited	Genesis Energy Limited generates, trades in, and sells electricity to residential and business customers in New Zealand. It generates electricity from thermal, hydro, and wind sources. The company operates through Retail, Wholesale, and Kupe segments. The Retail segment supplies energy, including electricity, gas, and LPG to end-users, as well as provides related services. The Wholesale segment engages in the supply of electricity to the wholesale electricity market; supply of gas and LPG to wholesale and retail customers; and purchase and sale of derivatives to fix the price of electricity. The Kupe segment is involved in the exploration, development, and production of gas, oil, and LPG, and supply of gas and LPG to the wholesale segment, and light oil. The company's generation asset portfolio comprises the Huntly power station with a generation capacity of 953 MW; Tongariro Power Scheme that comprises three power stations with a generation capacity of 361.8MW; Waikaremoana Power Scheme, which includes three power stations with a generation capacity of 138 MW; and Tekapo Power Scheme with a generation capacity of 190 MW; and Hau Nui wind farm with 15 wind turbines. The company was formerly known as Genesis Power Limited and changed its name to Genesis Energy Limited in September 2013. Genesis Energy Limited was incorporated in 1998 and is headquartered in Auckland, New Zealand.

Company	Business Description
Meridian Energy Limited	Meridian Energy Limited engages in the generation, trading, and retailing of electricity to residential, business, and industrial customers in New Zealand, Australia, and the United Kingdom. As of June 30, 2022, it generates electricity through 7 hydro stations that has a capacity of 2,353 MW; 5 wind farms that has a capacity of 416 MW; and solar farms. The company also provides management, insurance, financing, professional, trustee, and software development services; and licenses Flux developed electricity and gas retailing platform, as well as offers solar installation services. It sells electricity under the Meridian Energy and Powershop brands. The company was formerly known as Hydro Energy Limited and changed its name to Meridian Energy Limited in March 1999. Meridian Energy Limited was incorporated in 1998 and is based in Wellington, New Zealand.
NZ Windfarms Limited	NZ Windfarms Limited generates and sells electricity to the national grid in New Zealand. The company operates the Te Rere Hau wind farm, including 92 turbines with the capacity of 46 megawatts located in the North Range road in the Taraua Ranges. It serves 16,000 homes. The company was incorporated in 2002 and is based in Palmerston North, New Zealand.
Mercury NZ Limited	Mercury NZ Limited, together with its subsidiaries, engages in the production, trading, and sale of electricity and related activities in New Zealand. The company operates through Generation/ Wholesale, Retail, and Other segments. It operates 9 hydro generation stations on the Waikato River; five wind plants; and five geothermal generation stations in the central North Island. The company sells electricity to residential, commercial, industrial, and spot market customers under the GLOBUG, Trustpower, and Mercury brands. It also provides piped natural gas; and telecommunication and other products and services. The company was formerly known as Mighty River Power Limited and changed its name to Mercury NZ Limited in July 2016. Mercury NZ Limited was incorporated in 1998 and is based in Auckland, New Zealand.

Company	Business Description
Audax Renovables, S.A.	Audax Renovables, S.A. engages in the generation and supplying of renewable electricity and gas in Spain, in seven European countries. The company has a portfolio of wind and photovoltaic farms in Spain, Portugal, Italy, France, Poland, and Panama with capacity of 1,415 MW. The company was incorporated in 2000 and is based in Badalona, Spain.
Arise AB (publ)	Arise AB (publ), together with its subsidiaries, operates in the renewable energy sector. It operates through three segments: Development, Production, and Solutions. The company develops, constructs, manages, and sells wind farms. It is also involved in the production and sale of electricity and electricity certificates. The company operates a portfolio of managed wind power approximately 2,600 MW in Sweden, Norway, and Scotland. It has 10 wind farms with a total capacity of 139 MW in southern Sweden. The company was formerly known as Arise Windpower AB (publ) and changed its name to Arise AB (publ) in June 2013. Arise AB (publ) was incorporated in 1986 and is headquartered in Halmstad, Sweden.
Neoen S.A.	Neoen S.A., an independent renewable energy production company, engages in the design, development, finance, construction project management, and operation of renewable energy power plants. The company operates solar, wind, and energy storage plants. It operates in Argentina, Australia, Croatia, Ecuador, United States, Finland, France, Ireland, Italy, Jamaica, Mexico, Mozambique, Portugal, El Salvador, Sweden, and Zambia. Neoen S.A. was incorporated in 2008 and is headquartered in Paris, France. Neoen S.A. is a subsidiary of Impala SAS.

Company	Business Description
Voltalia SA	Voltalia SA engages in the production of electricity from renewable energy sources. It operates through two segments, Energy Sales and Services. The company develops, constructs, operates, and maintains wind, solar, hydro, and biomass power plants. It also develops and sells projects, and procures equipment for solar power plants, as well as provides maintenance service. As of December 31, 2021, the company operated solar power plant with an installed capacity of 98 MW. It operates in Africa, the Middle East, Asia, other Europe, Brazil, and Latin America. The company was incorporated in 2005 and is headquartered in Paris, France. Voltalia SA is a subsidiary of Voltalia Investissement SA.
Boralex Inc.	Boralex Inc., together with its subsidiaries, engages in the development, construction, and operation of renewable energy power facilities primarily in Canada, France, the United States, and the United Kingdom. As of December 31, 2022, the company had interests in 90 wind farms with an installed capacity of 2,584 megawatts (MW); 16 hydroelectric power stations with a capacity of 181 MW; and 12 solar power stations with an installed capacity of 255 MW. Boralex Inc. was incorporated in 1982 and is headquartered in Kingsey Falls, Canada.
Alerion Clean Power S.p.A.	Alerion Clean Power S.p.A. engages in the production of electricity through wind power in Italy. It has wind power plants located in Krupen, Bulgaria; and Comiolica, Spain. The company is headquartered in Milan, Italy. Alerion Clean Power S.p.A. is a subsidiary of FRI-EL Green Power S.p.A.
clearvise AG	clearvise AG operates as an independent electricity producer from renewable energies in Europe. As of December 31, 2022, its operational portfolio consists of wind and solar parks, and a biogas plant in four countries with an installed capacity of approximately 303 MW. The company was formerly known as ABO Invest AG and changed its name to clearvise AG in January 2021. Clearwise AG was founded in 2010 and is based in Wiesbaden, Germany.

Company	Business Description
ABO Wind AG	ABO Wind AG develops renewable energy projects in Germany, Finland, France, Spain, Argentina, Greece, Ireland, Poland, Tunisia, Hungary, the United Kingdom, the Netherlands, Colombia, Canada, South Africa, and Tanzania. It develops wind farm projects, as well as undertakes engineering, procurement, and construction (EPC) works for its projects and third parties. The company also provides power plant management services, such as commercial management, technical management and assessment, and maintenance and service, as well as replaces and repairs components. In addition, it engages in the project development, EPC, and operational management of solar projects. Further, the company provides operational management services for biogas plants; develops biogas plants; purchases and optimizes existing biogas plants; and offers bioenergy services. Additionally, it provides solutions for the storage of renewable energies; and ABO Lock, a digital access control locking system, as well as designs, constructs, and operates hybrid energy systems with renewables for infrastructure, mines, commercial and industrial, remote communities, tourism and hotels, and island and isolated power grid sectors. The company connects wind energy, solar energy, and storage facilities with an output of approximately 1,900 megawatts to the grid. ABO Wind AG was founded in 1996 and is headquartered in Wiesbaden, Germany.
Energiekontor AG	Energiekontor AG, a project developer, engages in the planning, construction, and operation of wind farms and solar parks in Germany, Portugal, and Great Britain. It owns and operates 139 wind farms and 14 solar parks with a total output of approximately 1.3 gigawatt. The company was founded in 1990 and is headquartered in Bremen, Germany.
Greencoat Renewables PLC	Greencoat Renewables PLC invests in, acquires, operates, and manages wind farms in France, Finland, Sweden, and Spain. As of December 31, 2021, the company operated 25 wind farms with an aggregate generating capacity of 800 megawatts. It also invests in solar generation assets. The company was incorporated in 2017 and is based in Dublin, Ireland.

Company	Business Description
Orrön Energy AB (publ)	Orrön Energy AB (publ) operates as an independent renewable energy company. It has wind and hydro assets in the Nordics, a wind farm in Finland, a hydropower plant in Norway, and a Karskruv wind farm in southern Sweden. The company was formerly known as Lundin Energy AB (publ) and changed its name to Orrön Energy AB (publ) in July 2022. Orrön Energy AB (publ) was founded in 2001 and is based in Stockholm, Sweden.
Cloudberry Clean Energy ASA	Cloudberry Clean Energy ASA operates as a renewable energy company. It operates through four segments: Production, Development, Operations and Corporate. The company engages in the ownership, development, and operation of hydropower plants and wind farms in Norway, Sweden, and Denmark. Cloudberry Clean Energy ASA was incorporated in 2017 and is headquartered in Oslo, Norway.
EDP Renováveis, S.A.	EDP Renováveis, S.A., a renewable energy company, plans, constructs, operates, and maintains electric power generation plants. The company operates wind and solar farms. As of December 31, 2021, it had an installed capacity of 5,908 megawatts in the United States; 2,194 megawatts in Spain; 795 megawatts in Brazil; and 1,142 megawatts in Portugal. The company was incorporated in 2007 and is headquartered in Madrid, Spain. EDP Renováveis, S.A. operates as a subsidiary of EDP-Energias de Portugal, S.A.
Clearway Energy, Inc.	Clearway Energy, Inc. operates in the renewable energy business in the United States. The company operates through Conventional, Renewables, and Thermal segments. It has approximately 5,500 net megawatts (MW) of installed wind and solar generation projects; and approximately 2,500 net MW of natural gas generation facilities. The company was formerly known as NRG Yield, Inc. and changed its name to Clearway Energy, Inc. in August 2018. Clearway Energy, Inc. was incorporated in 2012 and is based in Princeton, New Jersey. Clearway Energy, Inc. operates as a subsidiary of Clearway Energy Group LLC.

Company	Business Description
Brookfield Renewable Corporation	Brookfield Renewable Corporation owns and operates a portfolio of renewable power and sustainable solution assets primarily in the United States, Europe, Colombia, and Brazil. It operates hydroelectric, wind, and solar power plants with an installed capacity of approximately 12,857 megawatts. The company was incorporated in 2019 and is headquartered in New York.

APPENDIX I – COMPARABLE TRANSACTIONS

Target	Target business description
115 MW El Arrayán Wind Project	115 MW El Arrayán Wind Project comprises electricity generation business through wind energy. The asset is located in Chile.
119-megawatt Willogoleche wind farm	119-megawatt Willogoleche wind farm comprises a wind farm with a production capacity of 119 megawatt. The asset is located in Australia.
171 MW portfolio of onshore wind projects	As of January 7, 2021, 171 MW portfolio of onshore wind projects was acquired by Renewable Power Capital Limited. 171 MW portfolio of onshore wind projects comprises wind farms. The asset is located in Finland.
250-MW Blooming Grove Wind Farm of Invenergy LLC	250-MW Blooming Grove Wind Farm of Invenergy LLC comprises a wind energy farm with a production capacity of 250 megawatt. The asset is located in the United States.
270 MW Snowtown 2 Wind Farm of Tilt Renewables Limited	270 MW Snowtown 2 Wind Farm of Tilt Renewables Limited comprises a wind farm and is located in Australia.
ACEN Australia Pty Ltd	ACEN Australia Pty Ltd engages in renewable energy projects. The company was formerly known as UPC Renewables Australia Pty Ltd. The company was founded in 2016 and is based in Hobart, Australia. ACEN Australia Pty Ltd is a prior subsidiary of UPC-AC Energy Australia (HK) Limited and AC Energy and Infrastructure Corporation. As of February 1, 2023, ACEN Australia Pty Ltd operates as a subsidiary of AC Renewables International Pte Ltd.
Audax Renovables, S.A.	Audax Renovables, S.A. engages in the generation and supplying of renewable electricity and gas in Spain, in seven European countries. The company has a portfolio of wind and photovoltaic farms in Spain, Portugal, Italy, France, Poland, and Panama with capacity of 1,415 MW. The company was incorporated in 2000 and is based in Badalona, Spain.
Bishop Hill III Wind Energy Center in Henry County, Illinois	Bishop Hill III Wind Energy Center in Henry County, Illinois comprises a wind park consisting of 53 turbines. The asset is located in the United States.

Target	Target business description
Borkum Riffgrund 2	Borkum Riffgrund 2 comprises an offshore wind farm that generates electricity and is located in Germany.
Braes of Doune Wind Farm (Scotland) Limited	Braes of Doune Wind Farm (Scotland) Limited owns and operates wind farm and generates electricity. Braes of Doune Wind Farm (Scotland) Limited was formerly known as HMS (494) Limited and changed its name to Braes of Doune Wind Farm (Scotland) Limited in October 2003. The company was incorporated in 2003 and is based in Edinburgh, United Kingdom. Braes of Doune Wind Farm (Scotland) Limited is a former subsidiary of SSE plc.
Bullfrog Power Inc.	Bullfrog Power Inc. was acquired by Envest Corp. Bullfrog Power Inc., a green energy provider, offers renewable energy solutions to homes and businesses. It owns and operates wind and hydro facilities that produce green electricity. The company also provides green natural gas that is produced from biogas facilities. It offers its services in British Columbia, Alberta, Ontario, Nova Scotia, New Brunswick, and Prince Edward Island. Bullfrog Power Inc. was incorporated in 2004 and is based in Toronto, Canada. As of July 4, 2018, Bullfrog Power Inc. operates as a subsidiary of Spark Power Group Inc. As of November 30, 2022, Bullfrog Power Inc. operates as a subsidiary of Envest Corp.
ContourGlobal plc	ContourGlobal plc engages in the wholesale power generation businesses in Europe, Latin America, the United States, and Africa. The company generates 1,808 MW of renewable electricity from hydro, solar, wind, and biogas; and 2,509 MW of thermal electricity from gas, coal, and oil. It operates a portfolio of 138 thermal and renewable power generation assets. The company was founded in 2005 and is based in London, the United Kingdom. ContourGlobal plc is a subsidiary of ContourGlobal LP. As of December 20, 2022, ContourGlobal plc was taken private.

Target	Target business description
Greenalia, S.A.	Greenalia, S.A., an independent renewable energy producer, generates and sells electricity in Spain and rest of Europe, and the United States. It operates through Onshore Wind, Offshore Wind, Photovoltaic, Storage, and Biomass divisions. The company generates electricity through wind, solar photovoltaic, and biomass technologies. It is also involved in the promotion, production, and storage of energy. The company was formerly known as Grupo Garcia Forestal, S.L. and changed its name to Greenalia, S.A. in September 2016. Greenalia, S.A. was incorporated in 2013 and is based in Corunna, Spain. Greenalia, S.A. is a subsidiary of Smarttia Spain, S.L.U.
GVO Wind Limited and Bluemerang Capital Limited	GVO Wind Limited and Bluemerang Capital Limited represents the combined operations of GVO Wind Limited and Bluemerang Capital Limited in their sale to Tenaga Wind Ventures UK Ltd. GVO Wind Limited and Bluemerang Capital Limited own and operate renewable energy and wind portfolios. The companies are based in the United Kingdom.
Iberdrola Australia Limited	Iberdrola Australia Limited was formerly known as Infigen Energy Limited and changed its name to Iberdrola Australia Limited in May 2021. Iberdrola Australia Limited was incorporated in 2003 and is based in Sydney, Australia. As of October 21, 2020, Iberdrola Australia Limited operates as a subsidiary of Iberdrola Renewables Australia Pty Ltd.
Infinergy Limited	Infinergy Limited develops, constructs, and operates wind farms that generate wind energy in the British Isles. It offers services in the areas of site selection, planning, and financial close, and other services. The company was founded in 2003 and is based in Wimborne, United Kingdom with an additional office in Inverness, United Kingdom. As of July 4, 2022, Infinergy Limited operates as a subsidiary of Boralex Inc.
Kempstone Hill Wind Energy Limited	Kempstone Hill Wind Energy Limited engages in the generation of electricity through wind energy. The company was incorporated in 2010 and is based in Peterhead, United Kingdom. As of February 1, 2022, Kempstone Hill Wind Energy Limited operates as a subsidiary of The Parkmead Group plc.

Target	Target business description
Macarthur Wind Farm in Australia	Macarthur Wind Farm in Australia comprises the wind farm. The asset is located in Australia.
Mainstream Renewable Power Limited	Mainstream Renewable Power Limited develops, finances, constructs, and operates renewable energy plants. The company develops onshore and offshore wind and solar projects. It serves utilities and investment companies, and others worldwide. Mainstream Renewable Power Limited was founded in 2008 and is based in Dublin, Ireland. It also has offices in Calgary, Canada; Santiago and Los Angeles, Chile; Beijing, China; London, United Kingdom; Berlin, Germany; Dublin, Ireland; Glasgow, Scotland; Cape Town and Johannesburg, South Africa; Chicago, Illinois; and Santa Monica, California. As of May 11, 2021, Mainstream Renewable Power Limited operates as a subsidiary of Aker Horizons ASA.
Moose Lake Wind Farm	Moose Lake Wind Farm comprises a wind energy project with a production capacity of 15 megawatt. The asset is located in Canada.
Neart na Gaoithe Wind Farm Project of Mainstream Renewable Power Limited	As of May 3, 2018, Neart na Gaoithe Wind Farm Project of Mainstream Renewable Power Limited was acquired by EDF Energy Renewables Limited. Neart na Gaoithe Wind Farm Project of Mainstream Renewable Power Limited engages in generation of electricity through wind. The asset is located in the United Kingdom.
One Wind Services Inc.	One Wind Services Inc. owns and operates the wind power projects. The company was formerly known as Eon WindElectric Inc and changed its name to One Wind Services Inc. in October 2015. One Wind Services Inc. was founded in 2006 and is based in Dartmouth, Canada. As of November 1, 2019, One Wind Services Inc. operates as a subsidiary of Spark Power Corp.

Target	Target business description
Parc Eolien du Melier, Parc Eolien de la Vallée de Torfou and Epuron Energies Renouvelables	As of May 15, 2018, Parc Eolien du Melier, Parc Eolien de la Vallée de Torfou and Epuron Energies Renouvelables were acquired by ERG Power Generation S.p.A. Parc Eolien du Melier, Parc Eolien de la Vallée de Torfou and Epuron Energies Renouvelables represents the combined operations of Parc Eolien du Melier SAS, Parc Eolien de la Vallée de Torfou SAS, and Epuron Energies Renouvelables SAS in their sale to ERG Power Generation S.p.A. Parc Eolien du Melier SAS, Parc Eolien de la Vallée de Torfou SAS, and Epuron Energies Renouvelables SAS own and operate wind farms. The companies are based in France.
Perth Energy Pty Ltd	Perth Energy Pty Ltd operates as an independent electricity and gas retailer that engages in the generation and retail of electricity for small, medium, and large businesses in Western Australia. The company generates electricity through gas and solar energy sources. It also owns, operates, and maintains Kwinana Swift Power Station, an open cycle gas turbine power plant in Kwinana. The company was founded in 1999 and is based in Perth, Australia. Perth Energy Pty Ltd is a subsidiary of Perth Energy Holdings Pty Limited.
Phase A and B of Dogger Bank 2.4 GW Project	Phase A and B of Dogger Bank 2.4 GW Project comprises a wind project with a production capacity of 2.4 gigawatt. The asset is located in the United Kingdom.
Pluckanes Windfarm Limited	Pluckanes Windfarm Limited is engaged in the generation of electricity through wind turbine. The company was incorporated in 2009 and is based in Cork, Ireland. The company operates as a subsidiary of Reforce Energy Limited.
Portfolio of Four Wind Facilities in Texas	Portfolio of Four Wind Facilities in Texas comprises wind farms. The asset is located in the United States.
Portfolio of Operating Wind Projects	As of August 22, 2022, Portfolio of Operating Wind Projects was acquired by Clearway Energy, Inc. Portfolio of Operating Wind Projects comprises wind projects. The asset is located in the United States.
Portfolio of Wind Farm Assets in Australia	Portfolio of Wind Farm Assets in Australia comprises wind energy generation farms. The asset is located in Australia.

Target	Target business description
Portfolio of wind generating assets of Brookfield Renewable Partners L.P. and Invenergy LLC	Portfolio of wind generating assets of Brookfield Renewable Partners L.P. and Invenergy LLC comprises wind generating assets and is located in the United States.
SR Energy AB	SR Energy AB develops and operates large wind farms. The company designs, constructs and manages sustainable wind power generation plants in order to provide household electricity to the customers. SR Energy AB was formerly known as Stena Renewable AB. The company was founded in 2005 and is based in Gothenburg, Sweden.
Stockyard Hill Wind Farm Pty Ltd	Stockyard Hill Wind Farm Pty Ltd operates a wind energy project. It offers electricity to the national electricity grid. The company was incorporated in 2006 and is based in Melbourne, Australia. As of May 12, 2017, Stockyard Hill Wind Farm Pty Ltd operates as a subsidiary of Xinjiang GoldWind Science&Technology Co., Ltd. and Goldwind International Holdings (HK) Limited.
Tatanka Ridge Wind Farm	Tatanka Ridge Wind Farm comprises a wind farm and is located in the United States.
Tilt Renewables Limited	Tilt Renewables Limited, together with its subsidiaries, engages in the development, ownership, and operation of electricity generation facilities. The company operates through Australian Generation and New Zealand Generation segments. It generates electricity from renewable energy sources, such as wind and solar energy. It also provides financial services, and trades in electricity and associated products from renewable energy sources. As of March 31, 2021, the company operated 170MW of wind generation assets in Australia and 329MW of wind generation assets in New Zealand. It has strategic partnership with Genesis Energy. The company was incorporated in 2002 is based in Auckland, New Zealand. Tilt Renewables Limited is a subsidiary of Infratil 2018 Limited. As of August 3, 2021, Tilt Renewables Limited operates as a subsidiary of Powering Australian Renewables.

Target	Target business description
Tri Global Energy, LLC	Tri Global Energy, LLC develops, constructs, owns, and operates wind, solar, and hybrid power projects for communities in West Texas, Eastern New Mexico, and the Central United States. It provides wind, solar, and hybrid energy. The company serves communities, local governments, corporations and its partners. It also engages in developing, financing, constructing, and operating residential and commercial roof-top solar energy to deliver solar power to homes, churches, schools and businesses. Tri Global Energy, LLC was incorporated in 2009 and is based in Dallas, Texas with additional offices in Lubbock, Texas; El Paso and Forreston, Illinois; and Hartford City, Indiana. As of September 27, 2022, Tri Global Energy, LLC operates as a subsidiary of Enbridge Inc.
Upstream Wind Energy Center	Upstream Wind Energy Center comprises wind energy generating facility. The asset is located in the United States.
Walney (UK) Offshore Windfarms Limited	Walney (UK) Offshore Windfarms Limited develops, constructs, and operates wind farms that engage in offshore wind power generation activities. It serves households in the United Kingdom. Walney (UK) Offshore Windfarms Limited was formerly known as Dong Walney (UK) Limited and changed its name to Walney (UK) Offshore Windfarms Limited in January 2010. The company was incorporated in 2004 and is based in London, United Kingdom. Walney (UK) Offshore Windfarms Limited operates as a subsidiary of Ørsted A/S.
Windlab Limited	Windlab Limited, renewable wind energy development company, develops, finances, constructs, and operates wind farms in Australia and South Africa. It also provides asset management services to various operating wind farms. The company has development portfolio of 45 projects with a capacity of approximately 7,700 megawatts. Windlab Limited was founded in 2003 and is headquartered in Canberra, Australia. Windlab Limited operates as a subsidiary of Squadron Energy Pty Ltd.

FINANCIAL SERVICES GUIDE

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 ("RSM Corporate Australia Pty Ltd" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; the Company will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and/or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, P O Box R1253, Perth, WA, 6844.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA is an independent dispute resolution scheme that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au. You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll Free: 1800 931 678
Email: info@afca.org.au

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

Contact details

You may contact us using the details set out at the top of our letterhead in Section 1 of this report.

CONTENTS

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24 May 2023

The Board of Directors
Beijing Energy International (Australia) Holding Pty Ltd
Suite 3, Level 21, 1 York Street,
Sydney NSW 2000 Australia

Dear Directors,

VALUATION OF MOORABOOL WIND FARM SOUTH

1. INTRODUCTION

1.1 As announced to the Hong Kong Exchange ("HKEX") on 20 December 2022, Beijing Energy International Holding Co., Ltd. ("BJEI" or the "Company"), through its Australia wholly-owned subsidiary – MNS Wind Finance Pty Ltd ("MNSWF" or the "Purchaser"), acquired 25% of Moorabool South Wind Farm (Holding) Pty Ltd ("MSWF" or "Moorabool South") from Goldwind International Moorabool Limited (the "Vendor") (the "Initial Acquisition"). On the same date the Purchaser also entered a Call Option Deed ("Call Option"), pursuant to which the Vendor irrevocably granted the Purchaser an option to purchase, and required the Vendor to sell, an additional 26% of the issued share capital of Moorabool South.

1.2 On 31 March 2023, the Purchaser exercised the Call Option to acquire a further 26% of the issued share capital in Moorabool South (together with the Initial Acquisition, the "Transaction").

1.3 The Transaction constitutes a 'major transaction' as defined in Chapter 14 – Notifiable Transactions of Hong Kong Exchange Listing Rules ("Chapter 14 – HKEX"). Accordingly, the directors of BJEI have requested RSM Corporate Australia Pty Ltd ("RSM") to prepare a valuation report ("Report") assessing the Market Value of Moorabool South as at 31 December 2022 ("Valuation Date") for disclosure in the circular to the shareholders of BJEI in accordance with Chapter 14 – HKEX.

2. SUMMARY

2.1 Based on the valuation methodology adopted and the analysis and discussion in this Report, we have assessed the Market Value of the equity of Moorabool South as at the Valuation Date to be in the range of AUD165.6m and AUD193.5m, with a midpoint of AUD179.5m, as set out in the table below:

Valuation of Moorabool South

AUD'million	Low	Mid	High
Discount rate applied	11.4%	n.a.	9.8%
Equity Value from FCFE	**165.6**	**179.5**	**193.4**
(+) Net debt	219.6	219.6	219.6
(+) Non-operating liabilities	16.2	16.2	16.2
Total Enterprise Value	**401.3**	**415.3**	**429.2**

Source: RSM analysis

Note 1: Our DCF has been based on the available free cash flows to equity ("FCFE") by applying an appropriate cost of equity.

Note 2: Mid point valuation is the average of low and high valuations.

3. DISCLAIMER

3.1 This Report has been prepared for the purpose described in our Section 1 & 2 and set out in our Engagement Letter. This Report is to be used solely for this purpose and should not be used for any other purpose.

3.2 In accordance with our normal practice, we hereby expressly disclaim liability to any persons other than those to whom the Report is specifically addressed. The information contained in this Report may not be used or relied upon by any other party, in any manner whatsoever, without the prior written consent of RSM.

3.3 Any party who chooses to rely in any way on the contents of this Report, does so at their own risk. Neither the whole of this Report, nor any part thereof or any reference thereto may be published in any document, statement or in any communication in any form or context with any other third parties without the prior written consent of RSM.

3.4 Our valuation opinion is based on economic, market and other conditions prevailing at the Valuation Date. Such conditions can change significantly over relatively short periods of time. Accordingly, this Report and our opinion may become quickly outdated and require revision should such conditions change after the issue of our Report.

3.5 RSM reserves the right to revise any valuation, or other opinion, in the light of material information existing at the Valuation Date that subsequently becomes known to RSM.

3.6 The fee for our valuation services is not contingent on the result of the valuation conclusions included within this report.

4. SCOPE OF WORK

4.1 This Report has been prepared as a Valuation Engagement in accordance with APES 225 – Valuation Services ("APES 225").

4.2 This valuation has been undertaken by Andrew Clifford, Director, Corporate Finance, (RSM), acting independently. Andrew has extensive experience in providing valuations of businesses and equity.

4.3 This report has been prepared on a going concern premise of value based on Market Value, as defined in Appendix C of this Report.

4.4 Unless otherwise noted, all amounts in this report are expressed in Australian dollars.

4.5 The statements and opinions in this report are given in good faith and in the belief that such statements and opinions are not false or misleading. In forming our valuation opinions and preparing this Report, we have relied upon information supplied by Management. A summary of the sources of information used in preparing the valuation is provided in Appendix B.

4.6 We have not independently verified the correctness of, existence or value of any item which is in, or should be in, such information. We do not have any reason to believe that any material facts have been withheld from us, nor do we warrant that our investigation has revealed all of the matters which an audit or more extensive examination might disclose.

4.7 For the above reasons, we do not warrant the accuracy or reliability of either the information supplied to us or the conclusions drawn therefrom.

4.8 In relation to the Forward-Looking Information referred to in this Report, we do not express an opinion as to whether actual results of Moorabool South will approximate the forecasts prepared by Management. It is not possible to confirm whether those forecasts will be achieved, as it must be understood that all such forecasts depend on certain future events that are not capable of independent substantiation.

4.9 Users of the Report should correctly interpret and use the valuation conclusion, which is not equivalent to the realisable value of the valuation target and should not be considered as a guarantee for the realisable value of the valuation target.

Events after the Valuation Date

4.10 We have been informed that on 17 March 2023, Moorabool South terminated a power purchase agreement ("PPA") with an existing client, which accounted for 50% of the generation capacity of Moorabool South, and had a contracted price of $72.0/MWh with a 3% annual escalation. We understand Moorabool South is in the process of negotiating a replacement PPA with a prospective client, which will account for 50% of the generation capacity of Moorabool South, at a price of $74.3/MWh with CPI escalation. Management expects the PPA's commencement date to be 1 July 2023. We have not considered the impact of the above matter in our Report as it is a post-Valuation Date event.

Reliance on the work of experts

4.11 The forecast model used in performing our valuation includes assumptions on the forecast electricity generation of Moorabool South, which is based on the Energy Yield Assessment report for Moorabool Wind Farm issued by K2 Management dated 2 November 2022.

4.12 The forecast model used in performing our valuation includes the useful life of the project, which is based on the Technical Due Diligence for Moorabool Wind Farm report issued by K2 Management dated 2 November 2022 and the Lifetime Extension Analysis for Moorabool Wind Farm issued by K2 Management dated 19 October 2022.

4.13 The forecast model used in performing our valuation includes forecast merchant electricity price, which is based on the Moorabool Wind Farm Analysis Report (Electricity Price Outlook) issued by Aurora Energy Research dated 21 September 2022.

5. OVERVIEW OF MOORABOOL SOUTH

Background

5.1 Moorabool South is one part of a two site wind farm operation. Located 25km southeast of Ballarat in Victoria, Australia, Moorabool South has 54 turbines with total capacity of up to 162MW. Construction of the wind farm began in July 2018 and commissioning was completed in June 2022.

Financial information of Moorabool South

5.2 The information in the following section provides a summary of the financial performance of Moorabool South for the years ended 31 December 2022 extracted from the management accounts and audited financial statements of Moorabool South.

Financial performance

5.3 We set out in the below table a summary of the historical financial performance of Moorabool South for the year ended 31 December 2022 ("FY22") (the "Historical Period").

Historical financial performance

AUD'million	*Ref*	**FY22**
Total revenue	*par 5.4 & 5.5*	**45.3**
Expenses		
O&M	*par 5.6*	(0.8)
Connection	*par 5.7*	(1.9)
Asset management	*par 5.8*	(0.4)
Insurance expense		(0.8)
Other expenses	*par 5.9*	(1.4)
Total expenses		**(5.3)**
EBITDA		**40.0**
EBITDA margin %		88%
Depreciation	*par 5.10*	(7.9)
EBIT		**32.2**
EBIT margin %		71%
Finance expenses		(1.2)
Other income/expenses		(0.3)
EBT		**30.7**
Tax expense		(12.9)
NPAT		**17.8**

Source: Management accounts and audited financial statements

5.4 Moorabool South started generating revenue from late June 2022, when it was commissioned. As such, we have only presented the financial performance for FY22 which contains six months of operations under full operational capacity.

5.5 Revenue in FY22 comprises of $29.8m from generation income and $15.5m from Large-scale Generator Certificate ("LGC") income.

5.6 Operating and maintenance ("O&M") expenses relate to the servicing of equipment and the operation of the windfarm under the Warranty, Operating and Maintenance ("WOM") contract signed with Goldwind Australia Pty Ltd and Xinjiang Goldwind Science and Technology Co. Ltd. on 21 September 2022 (valid for 10 years + 5 years extension option). Fees agreed under the contract is $2.5m p.a. for year 1-2, $6.2m p.a. for year 3-15 in real term with reference to 2022 and be escalated at 2.75% p.a.

5.7 Connection cost consists mainly of the grid connection expense which is a fixed annual fee of $1.7m (in real term with reference to 2016 and subject to annual CPI escalation) under the Connection Service Agreement. Services received include assets design, construction, operation and maintenance.

5.8 Asset management expenses relate to general management services, project management, financial management and company secretarial services, which are carried out by Goldwind Capital (Australia) Pty Ltd under the Asset Management Agreement signed on 18 March 2019 (valid for 10 years). Fees are $1.2m p.a. in real term with reference to 2019 and are escalated at 2.5% per year.

5.9 Other expenses comprise mainly of administrative expenses.

5.10 Depreciation of $7.4m relates to the depreciation of PPE, with the remaining $0.5m relating to the amortisation of intangible asset.

Financial position

5.11 We set out in the table below a summary of the historical financial position of Moorabool South as at 31 December 2022.

Historical Financial Position

AUD'million	*Ref*	**FY22**
Current assets		
Cash and cash equivalents		0.6
Trade and other receivables		2.2
Advances to suppliers		0.0
Total current assets		**2.8**
Non current assets		
Property, plant and equipment	*par 5.12*	358.0
Intangible assets	*par 5.13*	8.5
Investment in joint venture		0.1
Right-of-use assets	*par 5.14*	33.2
Total non current assets		**399.8**
Total assets		**402.6**
Current liabilities		
Trade and other payables		0.6
Loans from related parties	*par 5.15*	219.6
Lease Liabilities	*par 5.14*	0.8
Tax payable		0.0
Total current liabilities		**221.0**
Non current liabilities		
Lease Liabilities	*par 5.14*	11.7
Deferred tax liabilities		16.1
Restoration provision	*par 5.17*	26.2
Total non current liabilities		**54.0**
Total liabilities		**275.1**
Net assets		**127.5**

Source: Audited financial statements

5.12 Property, plant and equipment ("PPE") represent the carrying value of the wind turbines, consisting of the cost of construction and capitalised costs less depreciation.

5.13 Intangible assets of $8.5m relates to the development rights acquired for the construction of the wind farm.

5.14 Right-of-use assets of $11.0m relate to the right to access the land under the lease agreements which has been capitalised in accordance with AASB 16, with the corresponding lease liabilities recognised in current ($0.8m) and non current liabilities ($11.7m). The leases contain restoration obligations at the end of the lease term, which are capitalised as part of the leased asset and reflected in the Right-of-use assets balance as leasehold improvements of $22.1m.

5.15 Loans from related parties comprise $107.6m long-term borrowing advanced from Nebras and $112.0m relating to an engineering, procurement and construction ("EPC") amount payable to Goldwind. The EPC payables are non-interest bearing and are payable on demand.

5.16 In our valuation, we have assumed the loans from related parties will be novated to BJEI and Nebras in FY23 upon the completion of the acquisition of Moorabool North and Moorabool South. Replacement debt facilities will be obtained from financial institutions to refinance these loans.

5.17 The restoration provision represents the present value of the future estimated cost of legal and construction obligations to rehabilitate the leased land at the end of the project. We understand that management has included potential restoration costs in the forecasts in the calculation of the residual value of the wind farm. Hence, we have not included the restoration provision in our calculation of the enterprise value on the premise that the rehabilitation costs are already considered in the calculated equity value.

Forecast financial performance

5.18 We have considered the following key assumptions made by BJEI in preparing the financial forecast.

Power Purchase Agreement ("PPA")

5.19 As at the Valuation Date, Moorabool South had secured two PPAs to sell 60% of its generated electricity. The agreements commenced in January 2023 and are valid for 8 years.

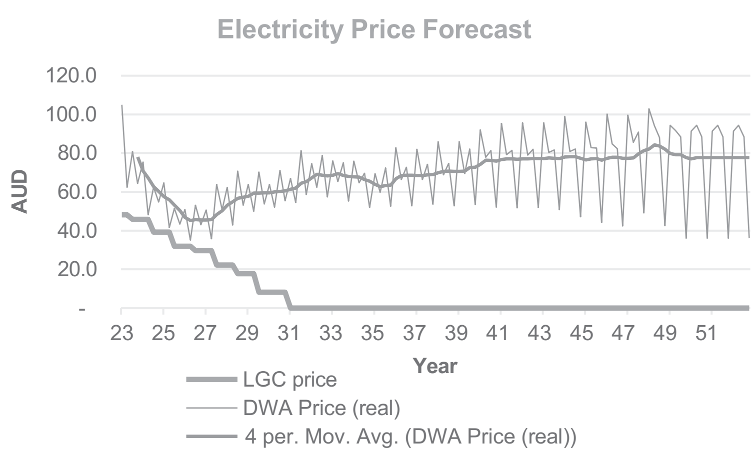
5.20 The agreed price for the first PPA, which accounts for 50% of the electricity generated, is fixed at $72.0 per MWh (bundle price including electricity and LGCs). The second PPA, which accounts for 10% of electricity generated, is fixed at $90.0 per MWh (bundle price including electricity and LGCs). Both prices will escalate annually at a fixed rate of 3% p.a.

5.21 The revenue forecasts of Moorabool South reflect these PPAs for the periods FY23 to FY30. Beyond this period, the revenue forecasts are exclusively based on the sale of electricity at merchant prices.

Merchant electricity price

5.22 The forecast merchant electricity price has been provided by Aurora[1]. We set out in the chart below the electricity price forecast by Aurora (in real 2021 values).

5.23 According to Aurora's forecast, the wholesale electricity price is expected to decline from its current high levels to 2026/7, before increasing as coal powered energy generation assets are retired.



Large-scale Generator Certificate ("LGC")

5.24 Forecast revenue of Moorabool South includes sales of LGCs. However, no revenue has been projected for sale of LGCs post 2030. Given the Large-scale Renewable Energy Target is only valid till 2030, we consider this assumption to be reasonable.

[1] *Moorabool Wind Farm Analysis report (electricity price outlook) dated 21 September 2022 prepared by Aurora Energy Research*

Energy Generation

5.25 We noted that K2 Management was engaged in preparing the Energy Yield Assessment[2] of Moorabool South, which is used in the financial projection by BJEI. Net energy yield of Moorabool South ranges from 544 to 559 GWh per annum.

Marginal Loss Factor and Economic Curtailment

5.26 Margin loss factor and economic curtailment were forecasted by Aurora[3] taking into account the current grid limit around Moorabool, the level of investment on grid in the long-term and the frequency of negative price events.

5.27 Estimated marginal loss factor and economic curtailment are in the range of 0.94x – 0.96x and 85.62% – 98.81% respectively.

Cost of borrowing

5.28 A debt margin of 1.7% has been assumed in the financial model, resulting in the forecasted cost of debt of 5.3% to 6.4% over the forecast period. Based on a debt premium range of 1.5% – 2% to risk-free rate, we estimated a cost of debt range 5.6% to 6.1% as at the Valuation. We have also cross-checked the corporate yield of AUD 10-year BBB rating (sourced from Capital IQ) as of the Valuation Date, which was 5.9%. As such, we have considered the estimated cost of borrowing by client to be reasonable.

Inflation/CPI

5.29 BJEI applied a short-term inflation rate assumption of 3.1% to 6.1% in FY23, and long-term inflation rate of 2.5% from FY24. Based on recent RBA forecast[4], CPI of 4.75% is expected in 2023, reducing to around 3.0% by mid-2025. We have included an adjustment to the specific risk premium ("SRP") applied in our discount rate to account for the forecasting risk associated with the inflation assumptions.

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[2] *Energy Yield Assessment for Moorabool Wind Farm dated 11 November 2022 prepared by K2 Management*

[3] *Moorabool Wind Farm Analysis report (electricity price outlook) dated 21 September 2022 prepared by Aurora Energy Research*

[4] *RBA Statement on Monetary Policy February 2023*

6. VALUATION APPROACH

6.1 This Report provides our assessment of the estimated Market Value of the equity of Moorabool South as at the Valuation Date. The valuation has been prepared as a Valuation engagement as defined by APES 225.

6.2 In considering the estimated Market Value of an ordinary share, we have considered each of the following generally accepted valuation methods:

- Income approach (DCF);
- Market approach; and
- Asset-based approach.

Income approach (DCF)

6.3 The Discounted Cash Flows (DCF) technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value of the business remaining at the end of the forecast period. This method of valuation is appropriate to businesses and projects with finite lives, where cost and revenue estimates can be applied with reasonable certainty.

Market approach

6.4 This methodology involves capitalising the business's earnings using an appropriate capitalisation/earnings multiple which reflects the business's underlying risk profile and growth prospects.

6.5 This technique is appropriate when earnings of the business are regular, maintainable and sufficient to justify a value exceeding the value of the underlying assets.

6.6 A valuation based on the capitalisation of maintainable earnings requires the determination of four key features:

- maintainable earnings;
- an appropriate capitalisation rate;
- the current level of net debt; and
- the value of any surplus assets & liabilities.

6.7 When assessing maintainable earnings, consideration should be given as to whether adjustments are required to "normalise" those earnings, i.e. to exclude abnormal expenses/income from reported earnings.

6.8 The normalisation adjustments are generally to:

- Replace any non-arm's length expenses with equivalent expenses at market rate;
- Exclude items which are not related to the operations of the business;
- Exclude non-recurring items;
- Ensure that accounting policies are consistently applied; and
- Ensure that all relevant business income and expenses are included.

6.9 There are many earnings multiples commonly used such as the PE multiple, EBIT multiple, EBITDA multiple and operating cash flow multiple.

6.10 In selecting an appropriate multiple, a valuer should take into account the capital structure, capital intensity and taxation rates of the business. High gearing levels (high interest payments) or high capital intensity (large depreciation charges) and to a lesser extent differing taxation rates (different tax jurisdictions) have the propensity to cause distortions when comparing earnings across companies which may affect valuation. In theory, the value of a business is independent of its capital structure.

6.11 The earnings multiple must also reflect at least, the business risk, the business's future growth prospects and the time value of money.

6.12 Alternative to commonly used valuation multiple mentioned above, rules of thumb (or industry-specific multiples) could also be used in estimating the Market Value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the Market Value of a company than other commonly used valuation multiples because they may not account for company specific risks and factors.

Asset-based approach

6.13 An asset-based valuation is often used as a secondary valuation methodology when valuing trading operations on a going concern basis and assists in establishing the quantum of goodwill implicit in earnings-based valuations. However, it can also be used as the primary valuation methodology in certain circumstances.

6.14 An asset-based valuation is often dependent on obtaining independent valuations for certain assets, for example the market value of land, buildings and fixed assets is often different to the book value.

6.15 Asset-based methods are appropriate when a significant proportion of a company's assets are liquid, for asset holding companies or for a company that is not profitable.

6.16 Asset-based methods include:

- Orderly realisation of assets method;
- Liquidation of assets method; and
- Net assets on a going concern basis.

6.17 The value achievable in an orderly realisation of asset is estimated by determining the net realisable value of the assets or business segments on the basis of an assumed orderly realisation. This value includes a discount to allow for the time value of money and for reasonable costs of undertaking the realisation exercise. It is not a valuation on the basis of a forced sale, where assets may be sold at values materially different to their market value.

6.18 The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter timeframe.

6.19 The net assets on a going concern method estimates the market value of the net assets of a company but unlike the orderly realisation of assets method, it does not take into account realisation costs.

Selection of valuation approach

6.20 In selecting an approach and methodology to value Moorabool South, we have considered the following:

6.21 The income approach (DCF) is the most appropriate valuation methodology given the availability of long-term detailed forecasts. We have been provided with financial forecasts for the period from 1 January 2023 to 31 December 2052 which has been prepared by the Company using forecast assumptions supplied by Aurora Energy Research ("Aurora") and K2 Management ("K2M").

6.22 The DCF is commonly used in valuing long term infrastructure assets with varying operating, capital and funding cash flows.

6.23 The market approach is also considered appropriate as data of comparable transactions involving targets of a similar nature of Moorabool South (i.e. wind power assets) are readily available. Moreover, many listed companies have the same principal business as Moorabool South, allowing for the observation of trading multiples.

6.24 Asset-based approach is only appropriate when a company is not profitable, a significant proportion of the company's assets is liquid, or for asset holding companies.

6.25 Based on the above, we have assessed the Market Value of Moorabool South using the DCF as our primary method. In addition, we have performed the cross-check of the implied EV/EBITDA multiple and EV/MW multiple against the respective multiples of comparable listed companies and comparable transactions.

6.26 In applying the DCF, we have adopted the free cash flows to equity ("FCFE") to assess the valuation of Moorabool South. FCFE is the common approach adopted in valuing infrastructure assets given the varying capital structure over the life of the assets as projects are initially highly geared to fund construction, and as investors in infrastructure assets seek to maximise distributions over time through leverage.

7. VALUATION OF MOORABOOL SOUTH

The DCF approach

7.1 We have utilised the DCF methodology, specifically the free cash flows to equity method, in valuing Moorabool South, as detailed in Appendix G. The following process was adopted:

- Performed an analysis of the historical financial performance and position of Moorabool South, as set out on the previous sections of this report;

- Utilised the profit and loss forecast prepared by management for Moorabool South. Using this forecast, constructed a FCFE forecast for use in our DCF methodology using the following formula in each year of the forecast period:

  $$FCFE = EBITDA*(1 - Tax) + Depr*(Tax) - Capex - WCInv - Int*(1 - Tax) + Net\ borrowing + FC$$

  Where:

  o *EBITDA* is the earnings before interest tax depreciation and amortisation;

  o *Depr* is the depreciation and amortisation;

- o *Capex* is the capital expenditure;
- o *WCInv* is the change in net working capital;
- o *Int* is the interest expenses;
- o *Tax* is the corporate tax rate;
- o *FC* is the franking credits;

- Estimated the residual value of the project at the end of the forecast period;
- Determined an appropriate discount rate;
- Calculate the present value of the levered free cash flows and residual value using the selected discount rate using the following formula; and

$$Equity\ Value = \sum_{t=0}^{T} \frac{FCFE_t}{(1+r)^t} + \frac{Residual\ Value}{(1+r)^T}$$

Where:

- o FCFE is free cash flows to equity as estimated above;
- o T is the forecast period (which is finite lifetime); and
- o r is the discount rate.

- Concluded on the equity value of Moorabool South.

Cash flow projections

Forecasts

7.2 The financial model is based on an estimated life of c.30 years ending in FY52. Based on the Lifetime Extension Analysis by K2 Management[5], the extended lifetime is estimated to be in the range of 25 to 35 years. Replacing or extending the life of the assets beyond the design life will require significant capital expenditure. Accordingly, we have considered cash flows up to 2052 and have not considered any operations post design life.

5 *Lifetime Extension Analysis for Moorabool Wind Farm dated 19 October 2022 prepared by K2 Management;*

Revenue

7.3 The revenue forecast of Moorabool South has been based on:

- The projection of energy generation based on the *Energy Yield Assessment* report prepared by K2 Management;

- The forecast merchant electricity price, for 50% of the generation capacity, based on *Moorabool Wind Farm Analysis report (electricity price outlook)* report prepared by Aurora Energy Research; and

- The fixed electricity price, for 50% of the generation capacity, in accordance with power purchase agreements.

Because the net energy yield is expected to be relatively stable over the forecast period, the forecast revenue growth is largely driven by movements in the forecast merchant electricity price. Please refer to Section 5 above for details of these assumptions.

EBITDA

7.4 Forecast operating expenses of Moorabool South comprises mainly O&M expenses, connection cost, asset management costs, insurance expenses, land lease costs and other expenses. Majority of the expenses are contracted with annual escalation factors at around the long term inflation rate. Please refer to Section 5 above for analysis of Moorabool South's expenses.

7.5 The forecast EBITDA margin of Moorabool South varies between 59% to 76% over the forecast period. Because a large part of the cost structure is fixed by contracts, movements in the EBITDA margin are driven mainly by movements in the forecast merchant electricity price. Please refer to Section 5 above for details of the forecast merchant electricity price.

Interest expenses

7.6 The forecast interest expense was estimated based on a cost of borrowing of 5.3% to 6.4% and an annual repayment schedule ending 31 December 2045. Please see Section 5 for a discussion on the cost of borrowing.

Tax rate and Franking credits

7.7 Australia corporate tax rate of 30% was applied in estimating the forecast cash flows.

7.8 We have considered the value of franking credits generated by Moorabool South, which are derived from taxation on income derived in Australia. As franking credits can only be utilised by Australia tax residents, their benefits depend on investors' individual circumstances.

7.9 The franking credits are reflected in the forecast cash flows at a utilisation rate of 80%. No adjustment has been made to the tax rate or discount rate.

AASB 16

7.10 Management's forecasts include land lease expenses. As a result, the forecasted depreciation expense excludes depreciation relating to ROU assets recognised under AASB 16 *Leases* ("AASB 16"). Our DCF has been performed using cash flows on a pre-AASB 16 basis with a corresponding discount rate.

Capital expenditure ("Capex")

7.11 Following the successful commissioning of Moorabool South, future capex investment is limited to repairs and maintenance. Future maintenance works have been expensed in the forecasts under operations and maintenance ("O&M"). BJEI has forecasted O&M to increase 2.75% annually over the forecast period. Refer to the financial performance summary in Section 5 for further details of the O&M expenses.

Movement in net working capital

7.12 Management has assumed days sales outstanding of 30 days and days payable outstanding of 30 days in forecasting the working capital requirement. We have relied on management's net working capital forecast in estimating FCFE.

Residual value

7.13 The residual value of a generating asset is the amount it is worth at the conclusion of its project. Management has estimated a net residual value of $42.1m at the end of the 30-year forecast period. We understand that management has accounted for potential restoration costs in estimating the residual value of the wind farm. Hence, we do not include the restoration provision in calculation of the enterprise value from the estimated equity value.

7.14 Based on our calculation, residual value contributes to less than 1% of the estimated valuation of Moorabool South as at the Valuation Date.

Applicable discount rate

7.15 The applicable discount rate is the likely rate of return an investor in Moorabool South would require. The applicable discount rate assessed for the purpose of valuing Moorabool South has been based on cost of equity estimated using the Capital Asset Pricing Model ("CAPM").

7.16 The methodology adopted in calculating the discount rate is contained in Appendix E. Based on this methodology, we have derived a discount rate in the range of 9.8% and 11.4% as at the Valuation Date.

Market Value of Moorabool as at 31 December 2022 under DCF methodology

7.17 We set out in the table below our assessment of the equity value of Moorabool South as at the Valuation Date. Please refer to Appendix G for our detailed FCFE calculation of Moorabool South.

Valuation of Moorabool South

AUD'million	Low	Mid	High
Discount rate applied	11.4%	n.a.	9.8%
Equity Value from FCFE	**165.6**	**179.5**	**193.4**
(+) Net debt	219.6	219.6	219.6
(+) Non-operating liabilities	16.2	16.2	16.2
Total Enterprise Value	**401.3**	**415.3**	**429.2**

Source: RSM analysis

Note – Mid point valuation is the average of low and high valuations.

Market Approach Cross-Check

7.18 We have utilised the market methodology as our secondary 'cross-check' valuation methodology in determining the value of Moorabool South.

7.19 In calculating the enterprise value for the cross-check, we have added back the non-operating liabilities (which relates to deferred tax liabilities) and lease liabilities to ensure comparability with the observed data of comparable companies and transactions.

7.20 We have set out in the table below the multiples implied based on our DCF valuation.

Valuation Cross-check

AUD'million	Low	Mid	High
Equity Value from FCFE	**165.6**	**179.5**	**193.4**
(+) Net debt	219.6	219.6	219.6
(+) Non-operating liabilities	16.2	16.2	16.2
Total Enterprise Value	**401.3**	**415.3**	**429.2**
(+) Lease Liabilities	12.5	12.5	12.5
Total Enterprise Value (incl. Lease)	**413.9**	**427.8**	**441.8**
FY23F EBITDA (Normalised)	35.4	35.4	35.4
FY24F EBITDA (Normalised)	33.1	33.1	33.1
Implied EV/EBITDA multiple			
FY23	11.7x	12.1x	12.5x
FY24	12.5x	12.9x	13.4x
Installed capacity	162	162	162
Implied EV/MW multiple	2.6x	2.6x	2.7x

Source: RSM analysis

Normalised EBITDA

7.21 The contracted O&M expenses are $2.5m p.a. for years 1-2 (i.e. from June 2022 to June 2024) and $6.2m p.a. for year 3-15. We have adjusted the forecasted EBITDA in FY23 and FY24 by adding an additional O&M expense to align it with the $6.2m p.a. expense for year 3-15 under WOM contract.

7.22 As the observed forward trading multiples are presented on post-AASB 16 basis, the land lease expense has been added back to ensure comparability.

Normalised EBITDA

AUD'million	**FY23 (F)**	**FY24 (F)**
EBITDA	37.9	34.6
Normalisations		
O&M	(3.7)	(2.8)
Normalised EBITDA (pre-AASB16)	**34.2**	**31.8**
Land lease	1.2	1.2
Normalised EBITDA (post-AASB16)	**35.4**	**33.1**

Source: RSM Analysis

Selection of valuation multiples

7.23 In our assessment of an appropriate multiple to be applied in our cross-check, we have considered the following:

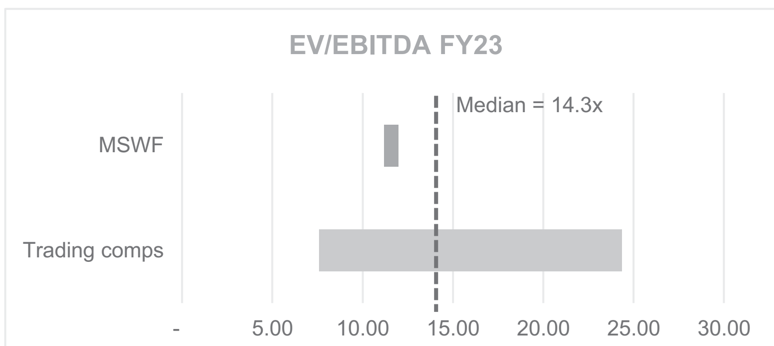
- Given Moorabool South commenced full commercial operations in June 2022, historical EBITDA is not reflective of maintainable earnings of a full financial year. As such, we have applied forward EBITDA multiples including EV/EBITDA FY23F and EV/EBITDA FY24F.
- Comparable listed company EV/EBITDA FY23F multiples (excluding outliers) range from 7.6x to 24.4x, with mean and median of 14.2x and 14.3x, respectively.
- Comparable listed company EV/EBITDA FY24F multiples (excluding outliers) range from 8.2x to 22.3x, with mean and median of 13.5x and 12.7x, respectively.
- Observable EV/EBITDA multiples of historical transactions comparable to Moorabool South were not available.

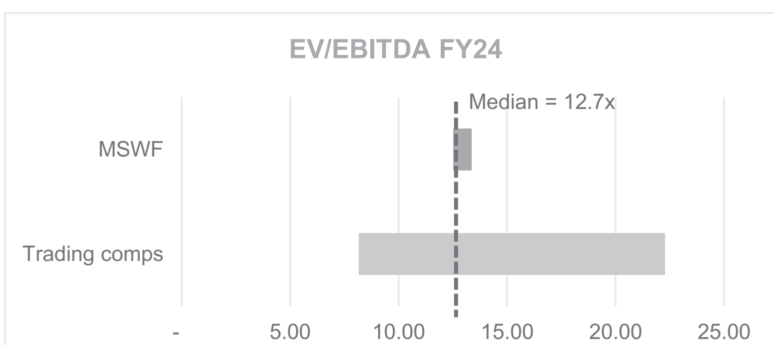
7.24 In addition, we have utilised EV/MW multiples in our cross-check analysis. In this regard, we have considered the following:

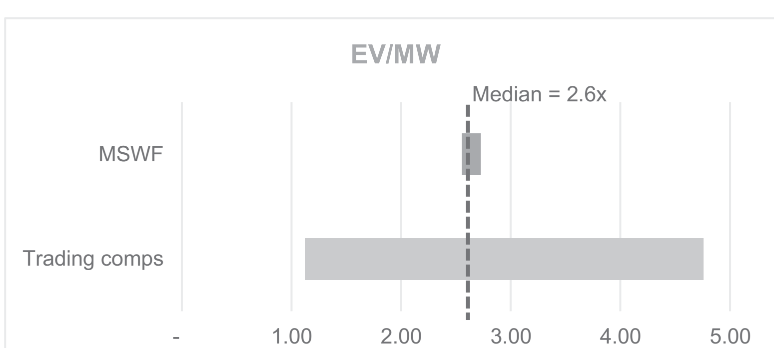
- Comparable listed company EV/MV multiples (excluding outliers) range from 1.1x to 6.2x, with mean and median multiples of 3.0x and 2.6x, respectively.

- Implied EV/MW multiples of transactions involving international targets comparable to Moorabool South (excluding outliers) range from 0.8x to 5.4x, with mean and median multiples of 2.7x and 2.4x respectively.

7.25 Having regard to the above and applying our experience and professional judgement, we consider the implied EV/EBITDA FY23F, EV/EBITDA FY24F and EV/MW multiples to be reasonable.







8. VALUATION ASSUMPTIONS

General assumptions

8.1 The valuation reflects the equity in the legal entities being sold by Goldwind. We have not incorporated factors specific to the deal structure of the Transaction.

8.2 Open market assumption: Both parties of the Transaction are assumed to be in equal position for the assets to be traded or proposed to be traded in the market, where opportunities and time are available for both to access adequate market information, in order to make rational judgements on the functions, uses and transaction prices of the assets.

8.3 Going concern assumption: The appraised entity is assumed to fully comply with all relevant laws and regulations and will operate sustainably in the useful life of machinery and equipment.

Special assumptions

8.4 This valuation regards the specific valuation purpose listed in this Report as its premises of basic assumptions.

8.5 This valuation assumes the full accountability of Moorabool South's management team in the future, the existing business management mode are kept, and the business scope and approach remain consistent with the forecast direction.

8.6 This valuation assumes the valued assets are in continuous use according to the present use and its mode, size, frequency and environment of use, without taking into account the respective optimal use of each asset.

8.7 It is assumed that, on top of the existing management mode and management level, there will be no material adverse impacts on Moorabool South arising from other force majeure and unforeseeable factors.

8.8 The relevant basic information and financial information provided by the Company are true, accurate and complete.

8.9 The valuation is only based on the financial information provided by the Company, without taking into account the possible contingent assets and contingent liabilities outside of the list provided by the Company.

8.10 The financial report and transaction data of the comparable companies which we rely on are true and reliable.

8.11 This valuation assumes Moorabool South would obtain a net cashflow evenly during a forecast period.

Valuation limitations

8.12 This valuation conclusion estimates the Market Value of valuation target on the basis of the valuation purpose and under the assumption of open market, without considering the impact on the value caused by the potentially increased or decreased price resulted from the special transaction method, or the impact on the changes of the macroeconomic environment and the natural force and other force majeure.

8.13 The Valuation Date adopted by the valuation report has been stated hereinabove, and our estimate of the value is based on the purchasing power of the currency of the place where Moorabool South is located as at the Valuation Date.

8.14 The valuation conclusion of this report is based on the aforesaid assumptions and limitations. When events that are inconsistent with the aforesaid assumptions and limitations occur, this valuation conclusion will generally be invalid.

9. VALUATION CONCLUSION

9.1 Based on the valuation methodology adopted and the analysis and discussion in this report, we have assessed the Market Value of the equity of Moorabool South as at the 31 December 2022 to be in the range of AUD165.6m and AUD193.4m, with a midpoint of AUD179.5m

Valuation of Moorabool South

AUD'million	Low	Mid	High
Discount rate applied	11.4%	n.a.	9.8%
Equity Value from FCFE	**165.6**	**179.5**	**193.4**
(+) Net debt	219.6	219.6	219.6
(+/-) Non-operating liabilities/assets	16.2	16.2	16.2
Total Enterprise Value	**401.3**	**415.3**	**429.2**

Source: RSM analysis

Note 1: Our DCF has been based on the available free cash flows to equity ("FCFE") by applying an appropriate cost of equity.

Note 2: Mid point valuation is the average of low and high valuations.

Yours faithfully

Andrew Clifford
Director

Nadine Marke
Director

APPENDICES

APPENDIX A – DECLARATIONS AND DISCLAIMERS

Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM), a large national firm of chartered accountants and business advisors.

Andrew Clifford is a director of RSM Corporate Australia Pty Ltd. Andrew Clifford is a Chartered Accountant with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This report has been prepared solely for disclosure of the Transaction in the circular to the shareholders of BJEI in accordance with Chapter 14 – HKEX. We do not assume any responsibility or liability to any party as a result of reliance on this report for any other purpose.

Reliance on Information

Statements and opinions contained in this report are given in good faith. In the preparation of this report, we have relied upon information provided by the Directors and management of the Company, and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

At the date of this report, none of RSM Corporate Australia Pty Ltd, RSM, Andrew Clifford, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the Transaction, except that RSM Corporate Australia Pty Ltd are expected to receive a fixed fee based on time occupied at normal professional rates for the preparation of this report.

Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this report in the form and context in which it is included with the Circular to be issued to Shareholders. Other than this report, none of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd has been involved in the preparation of the Circular. Accordingly, we take no responsibility for the content of Circular.

APPENDIX B – SOURCES OF INFORMATION

In preparing this report, we have relied upon the following principal sources of information:

- Financial projection of Moorabool South from FY23 to FY52;
- Management accounts of Moorabool South as at 31 December 2022;
- Audited financial statements of Moorabool South as at 31 December 2022;
- Moorabool Wind Farm Analysis report (electricity price outlook) dated 21 September 2022 prepared by Aurora Energy Research;
- Energy Yield Assessment for Moorabool Wind Farm dated 11 November 2022 prepared by K2 Management;
- Technical Due Diligence for Moorabool Wind Farm dated 2 November 2022 prepared by K2 Management;
- Lifetime Extension Analysis for Moorabool Wind Farm dated 19 October 2022 prepared by K2 Management;
- Project Mitchell financial vendor due diligence report dated 18 November 2022 prepared by KPMG;
- Project Mitchell tax vendor due diligence report dated 6 September 2022 prepared by KPMG;
- Moorabool North and South Wind Farms legal due diligence report dated 23 November 2022 prepared by Allens Linklaters;
- Reserve Bank of Australia website;
- Moorabool website;
- Data providers including IBISWorld, Capital IQ & MergerMarket; and
- Discussion with Management.

APPENDIX C – GLOSSARY OF TERMS

Term	Definition
$	Australian dollars
%	Percentage
c	circa
k	Thousand
m	Million
AASB 16	Australian Accounting Standards Board, Standard 16 – Leases
APES 225	Australia Professional Ethical Standard 225 – Valuation Services
BJEI or Company	Beijing Energy International Holding Co., Ltd.
Call Option	The call option allows MNSWF to purchase additional 26% in Moorabool South
Capex	Capital Expenditure
CAPM	Capital Asset Pricing Model
CPI	Consumer Price Index
DCF	Discounted cashflow methodology
EBITDA	Earnings before interest, tax, depreciation and amortisation
Engagement Letter	Letter of engagement dated 13 February 2023
Enterprise Value (EV)	The value of a business enterprise on a debt free, cash free basis
EPC	Engineering, procurement and construction
Equity Value	The owner's interest in a company after deduction of net debt from Enterprise Value
FCFE	Free cash flows to equity
Forecast Period	FY23 to FY52

Forward Looking Information	Forecast statements and information provided up to 31 December 2052
FY	Financial year ending 31 December
Historical Period	FY22
Initial Acquisition	The acquisition of 25% in Moorabool South by MNSWF
K2M	K2 Management
LGC	Large-scale Generator Certificate
Management	Management of the Company
Market Value	The estimated amount for which an asset should exchange, on the date of valuation, between a willing buyer and a willing seller in an arms' length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion
MNWF or Moorabool North	Moorabool Wind Farm Pty Ltd
MNSWF or Purchaser	MNS Wind Finance Pty Ltd
MSWF or Moorabool South	Moorabool South Wind Farm Pty Ltd
Net debt	The amount of debt of a business after deducting cash from total interest bearing liabilities
Normalise	Adjustments made to earnings to exclude abnormal expenses or income
O&M	Operating and maintenance
p.a.	Per annum
PPA	Power purchase agreement
PPE	Property, plant and equipment
Regeared	Adjusting the Beta for the industry average gearing ratio and the assessed optimal capital structure

Report	Valuation report
ROU	Right-of-use
RSM	RSM Corporate Australia Pty Ltd
Transaction	The acquisition of 51% shareholding interest in Moorabool South by MNSWF
Valuation Date	31 December 2022

APPENDIX D – INDUSTRY OVERVIEW

Industry Reports

The following industry information has been extracted from IBISWorld reports:

- Wind and Other Electricity Generation in Australia

- The 'wind and other electricity generation sector' report includes firms that generate electricity using wind, geothermal, tidal, biomass and other renewable energy sources with the largest sector being wind electricity generation.

Industry's performance over last five years (2017-2022)

Between 2018 and 2023, the industry revenue increased to $2.6 billion, with an annual growth rate of 3.3%. The industry also experienced a surge in its profit margins, which reached 21.0%.

The industry was, during the COVID-19 pandemic, aided by state and federal government assistance as they dealt with dampened demand for electricity brought about by the lockdowns and strict community-based guidelines Australia experienced. Furthermore, the Renewable Energy Targets set by the government are expected to bolster demand for renewable energy alternatives and in particular wind energy.

Over the last five years, large-scale wind farm investment has exploded, driven by stronger consumer and investor demand. This increase in investment as well as growth within the industry has been driven by key external factors. These factors include the rising of electricity wholesale prices to unprecedented levels, due to the inflated commodity prices the economy has seen over the last year because of the conflict between Russia and Ukraine. In combination with this inflation of commodity prices, the subsequent decrease in demand for fossil fuel electricity generation meant demand for renewable energy sources increased substantially towards the end of the period (2021-22). Growing public concern over environmental issues have also aided growth as it has materialized in the Australian market in the governments Renewable Energy Targets, that are pushing Australia to rely more on the energy produced from renewable sources. In particular, Victoria has its sights on achieving 2GW of offshore wind electricity generation capacity by 2032.

Outlook over the next 5 years

The industry's outlook for the next five years is predicted to be unstable due to a mixture of positive and negative factors. The industry is expected to benefit from increased investment, growing interest among large companies to secure Power Purchase Agreements ("PPAs"), and continued government pressure to adopt sustainable energy sources, which will drive up demand. On the other hand, the industry may face increased competition, especially for Large-scale Generation Certificates ("LGCs"), reduced tensions between Russia and Ukraine, which could lead to a resurgence of demand for fossil fuel-generated energy and lower commodity prices, and larger market players consolidating their market share.

This combination is expected to result in a slowdown in the industry's expansion, with projected revenue of $2.7 billion in 2028 at annualized growth rate of 0.8% over the next five years. Simultaneously, the profit margin is expected to decline by 2.8% to 18.2% of revenue, as wholesale prices return to normal levels from their historic peak.

APPENDIX E – DISCOUNT RATE CALCULATION

Required rate of return on equity capital

Cost of Equity	Low	High
Risk free rate	4.1%	4.1%
Beta	0.70	0.80
Market risk premium	6.0%	6.0%
Company specific risk factor	1.5%	2.5%
Cost of equity	9.8%	11.4%

Source: Capital IQ and RSM calculations

The Capital Asset Pricing Model ("CAPM") is used to estimate the cost of equity, being the required rate of return or cost of equity of a business.

The CAPM determines the cost of equity by the following formula:

$$Re = Rf + \beta(Rm - Rf) + \alpha$$

The components of the formula are as follows:

Re = Required return on equity;
Rf = Risk free rate of return;
Rm = the expected return from a market portfolio;
β = Beta, a measure of the systematic risk of a stock; and
α = specific company risk premium.

Risk Free Rate (Rf)

The risk-free rate of return compensates investors for the time value of money.

The government bond rate is widely used and is an accepted benchmark for the risk-free return. We have applied risk-free rate based on the yield of Australian Government bonds using a 10-year zero coupon rate as at each Valuation Date.

Market risk premium (Rm)

This represents the additional risk in holding the market portfolio of investments. The term (Rm–Rf) represents the additional return required, above the risk-free rate, to hold the market portfolio of investments. (Rm–Rf) is known as the Equity Market Risk Premium.

There are a number of studies around the Equity Market Risk Premium with, generally, most estimates falling within a range of 4% to 8%.

Using our professional judgement, RSM has assessed the Equity Market Risk Premium (Rm–Rf) for Moorabool South to be 6%.

This is consistent with the standard premium applied by most valuation practitioners when assessing the market risk premium as at the Valuation Date.

Beta (β)

The beta coefficient measures the systematic risk of a company compared to the market as a whole. A beta of 1 indicates that the company's risk is comparable to that of the market.

A beta greater than 1 represents higher than market risk and a beta below 1 represents lower than market risk.

In assessing beta, we have considered the betas for comparable companies. The equity betas are adjusted to remove the effect of company specific debt levels resulting in an unlevered beta. The unlevered betas are then relevered based upon an assessment of the average industry gearing ratio and the assessed optimal capital structure which is discussed in more detail below.

Based on our beta analysis, we have considered beta range of 0.7 to 0.8 in calculating the cost of equity.

Company	Country	Levered Beta	Selected
Genex Power Limited	Australia	0.57	Y
Genesis Energy Limited	New Zealand	1.14	Y
Meridian Energy Limited	New Zealand	1.75	Y
NZ Windfarms Limited	New Zealand	2.35	N
Mercury NZ Limited	New Zealand	1.16	Y
Audax Renovables, S.A.	Spain	0.32	N
Arise AB (publ)	Sweden	0.81	Y
Neoen S.A.	France	0.51	Y
Voltalia SA	France	0.41	Y
Boralex Inc.	Canada	0.36	N
Alerion Clean Power S.p.A.	Italy	0.78	Y
clearvise AG	Germany	0.17	Y
ABO Wind AG	Germany	1.34	N
Energiekontor AG	Germany	1.17	Y
Greencoat Renewables PLC	Ireland	0.05	N
Orrön Energy AB (publl)	Sweden	2.55	N

Company	Country	Levered Beta	Selected
Cloudberry Clean Energy ASA	Norway	1.95	N
EDP Renováveis, S.A.	Spain	0.28	Y
Clearway Energy, Inc.	United States	0.37	N
Brookfield Renewable Corporation	United States	0.57	Y
Selected Comps	**Low**	**0.17**	
	High	**1.75**	
	Mean	**0.78**	
	Median	**0.68**	

Source: Capital IQ and RSM analysis

Note: Outliers are marked as “N” in column “Selected”

APPENDIX F – COMPARABLE COMPANIES AND TRANSACTION MULTIPLES

Comparable trading companies' multiples

Company Name	Country	EV/EBITDA FY23	EV/EBITDA FY24	EV/MW Multiple	Selected
Genex Power Limited	Australia	24.4x	22.3x	1.3x	Y
Genesis Energy Limited	New Zealand	8.6x	8.8x	2.3x	Y
Meridian Energy Limited	New Zealand	18.4x	18.2x	4.5x	Y
NZ Windfarms Limited	New Zealand	NA	NA	1.1x	Y
Mercury NZ Limited	New Zealand	14.9x	14.1x	NA	Y
Audax Renovables, S.A.	Spain	16.5x	12.7x	5.5x	Y
Arise AB (publ)	Sweden	4.1x	5.5x	2.0x	N
Neoen S.A.	France	15.5x	14.8x	2.7x	Y
Voltalia SA	France	13.4x	12.4x	2.9x	Y
Boralex Inc.	Canada	12.7x	11.4x	2.6x	Y
Alerion Clean Power S.p.A.	Italy	14.7x	14.1x	4.8x	Y
clearvise AG	Germany	7.6x	8.2x	1.4x	Y
ABO Wind AG	Germany	17.7x	16.6x	NA	Y
Energiekontor AG	Germany	12.4x	11.7x	6.2x	Y
Greencoat Renewables PLC	Ireland	16.2x	16.5x	2.6x	Y
Orrön Energy AB (publ)	Sweden	171.6x	85.8x	2.2x	N
Cloudberry Clean Energy ASA	Norway	10.9x	10.5x	2.3x	Y
EDP Renováveis, S.A.	Spain	12.7x	12.5x	3.2x	Y
Clearway Energy, Inc.	United States	10.6x	10.3x	2.2x	Y
Brookfield Renewable Corporation	Canada	14.3x	13.8x	1.9x	Y
Min		**4.1x**	**5.5x**	**1.1x**	
Max		**171.6x**	**85.8x**	**6.2x**	
Mean		**21.9x**	**16.9x**	**2.9x**	
Median		**14.3x**	**12.7x**	**2.5x**	
Selected					
Min		**7.6x**	**8.2x**	**1.1x**	
Max		**24.4x**	**22.3x**	**6.2x**	
Mean		**14.2x**	**13.5x**	**3.0x**	
Median		**14.3x**	**12.7x**	**2.6x**	

Source: Capital IQ

Note: Outliers are marked as "N" in column "Selected"

Comparable transactions' multiples

Date	Target Company	Country	Implied EV/ MW	Selected
NA	250-MW Blooming Grove Wind Farm of Invenergy LLC	United States	2.6x	Y
01-02-23	ACEN Australia Pty Ltd	Australia	0.1x	N
22-12-22	Borkum Riffgrund 2	Germany	4.2x	N
20-12-22	ContourGlobal plc	United Kingdom	2.0x	N
30-11-22	Bullfrog Power Inc.	Canada	–	N
27-09-22	Tri Global Energy, LLC	United States	0.1x	N
22-08-22	Portfolio of Operating Wind Projects	United States	1.5x	Y
31-07-22	Greenalia, S.A.	Spain	7.5x	N
04-07-22	Infinergy Limited	United Kingdom	0.2x	N
01-02-22	Kempstone Hill Wind Energy Limited	United Kingdom	5.4x	Y
03-08-21	Tilt Renewables Limited	New Zealand	6.5x	N
11-05-21	Mainstream Renewable Power Limited	Ireland	0.1x	N
01-04-21	SR Energy AB	Sweden	–	N
30-03-21	Portfolio Of Wind Farm Assets in Australia	Australia	1.4x	Y
26-02-21	Phase A and B of Dogger Bank 2.4 GW Project	United Kingdom	1.5x	Y
23-02-21	Braes of Doune Wind Farm (Scotland) Limited	United Kingdom	2.4x	Y
19-01-21	Portfolio of Four Wind Facilities in Texas	United States	4.8x	Y
15-01-21	Moose Lake Wind Farm	Canada	0.8x	Y
11-01-21	Audax Renovables, S.A.	Spain	20.5x	N
07-01-21	171 MW portfolio of onshore wind projects	Finland	2.3x	Y
31-10-20	Portfolio of wind generating assets of Brookfield Renewable Partners L.P. and Invenergy LLC	United States	2.5x	Y
21-10-20	Iberdrola Australia Limited	Australia	–	Y
14-10-20	119-megawatt Willogoleche wind farm	Australia	4.5x	Y
09-10-20	Greencoat Renewables PLC	Ireland	2.7x	Y
30-09-20	Oceanwind AS	Norway	0.0x	N
24-09-20	Borkum Riffgrund 2	Germany	4.1x	Y
02-09-20	Walney (UK) Offshore Windfarms Limited	United Kingdom	6.9x	N
24-08-20	Pluckanes Windfarm Limited	Ireland	2.5x	Y
28-07-20	Tatanka Ridge Wind Farm	United States	2.7x	Y
26-06-20	Windlab Limited	Australia	0.1x	N
12-06-20	Greenalia, S.A.	Spain	–	N
13-01-20	Stockyard Hill Wind Farm Pty Ltd	Australia	0.6x	N
18-12-19	Macarthur Wind Farm in Australia	Australia	4.2x	Y

Date	Target Company	Country	Implied EV/ MW	Selected
17-12-19	270 MW Snowtown 2 Wind Farm of Tilt Renewables Limited	Australia	3.9x	Y
01-11-19	One Wind Services Inc.	Canada	–	N
02-09-19	Perth Energy Pty Ltd	Australia	–	N
10-01-19	Upstream Wind Energy Center	United States	2.4x	Y
31-08-18	Bishop Hill III Wind Energy Center in Henry County, Illinois	United States	1.9x	Y
21-08-18	115 MW El Arrayán Wind Project	Chile	1.1x	Y
31-05-18	Tilt Renewables Limited	New Zealand	2.1x	Y
15-05-18	Parc Eolien du Melier, Parc Eolien de la Vallée de Torfou and Epuron Energies Renouvelables	France	0.1x	N
03-05-18	Neart na Gaoithe Wind Farm Project of Mainstream Renewable Power Limited	United Kingdom	2.3x	Y
01-03-18	GVO Wind Limited and Bluemerang Capital Limited	United Kingdom	6.6x	N
	Min		**0.0x**	
	Max		**20.5x**	
	Average		**3.1x**	
	Median		**2.4x**	
Selected	**Min**		**0.8x**	
	Max		**5.4x**	
	Mean		**2.7x**	
	Median		**2.4x**	

Source: Capital IQ, Annual Reports

Note: Outliers are marked as "N" in column "Selected"

APPENDIX G – DISCOUNTED CASH FLOW

Discounted Cash Flow

AUD' million		FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
Total revenue		**49.7**	**45.8**	**42.6**	**42.7**	**44.3**	**46.3**	**45.9**	**46.2**	**45.8**	**48.9**	**49.9**	**48.9**	**48.7**
Operating Expenditure		(11.8)	(11.2)	(14.6)	(16.1)	(16.5)	(16.9)	(17.3)	(17.7)	(18.1)	(18.5)	(18.9)	(19.3)	(19.8)
EBITDA		**37.9**	**34.6**	**28.0**	**26.6**	**27.8**	**29.5**	**28.7**	**28.6**	**27.8**	**30.5**	**30.9**	**29.5**	**28.9**
Depreciation		(13.7)	(13.7)	(13.7)	(13.7)	(13.7)	(13.7)	(13.7)	(13.7)	(13.7)	(13.7)	(13.7)	(13.7)	(13.7)
Operating cash flow before tax less depreciation		**24.2**	**20.9**	**14.3**	**12.9**	**14.1**	**15.8**	**15.0**	**14.9**	**14.1**	**16.8**	**17.3**	**15.9**	**15.3**
Less: Taxes		(7.3)	(6.3)	(4.3)	(3.9)	(4.2)	(4.7)	(4.5)	(4.5)	(4.2)	(5.0)	(5.2)	(4.8)	(4.6)
Add: Decreases in NWC		1.8	0.2	0.6	(0.1)	(0.0)	(0.1)	0.2	(0.1)	0.4	(0.0)	0.1	0.2	(0.1)
Add: Depreciation		13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7
Unlevered free cash flow		**32.4**	**28.5**	**24.3**	**22.6**	**23.5**	**24.6**	**24.3**	**24.0**	**23.9**	**25.4**	**25.8**	**24.9**	**24.3**
Less: Interest*(1-Tax)	30.0%	(4.3)	(8.2)	(7.8)	(7.6)	(7.4)	(7.3)	(7.1)	(6.7)	(6.4)	(6.0)	(5.4)	(4.9)	(4.7)
Add: Net borrowing		(6.0)	(9.4)	(6.7)	(5.8)	(6.9)	(6.3)	(8.1)	(8.4)	(5.6)	(7.0)	(2.3)	(3.9)	(4.2)
Levered free cash flow (pre-Franking Credits)		**22.2**	**11.0**	**9.9**	**9.3**	**9.3**	**11.0**	**9.2**	**8.9**	**11.9**	**12.4**	**18.2**	**16.1**	**15.4**
Add: Franking Credits	80.0%	7.6	3.8	3.4	0.4	0.8	1.2	1.1	1.2	1.1	1.9	2.2	2.1	2.0
Levered free cash flow		**29.8**	**14.7**	**13.3**	**9.7**	**10.1**	**12.2**	**10.3**	**10.1**	**13.1**	**14.3**	**20.4**	**18.2**	**17.4**
Residual value														
Discount periods (mid-point discounting)		0.50	1.50	2.50	3.50	4.50	5.51	6.51	7.51	8.51	9.51	10.51	11.51	12.51
Discount factor	9.8%	0.95	0.87	0.79	0.72	0.66	0.60	0.55	0.50	0.45	0.41	0.38	0.34	0.31
Present value		28.4	12.8	10.5	7.0	6.6	7.3	5.6	5.0	5.9	5.9	7.7	6.2	5.4
High NPV	**193.4**													
Residual value														
Discount periods (mid-point discounting)		0.50	1.50	2.50	3.50	4.50	5.51	6.51	7.51	8.51	9.51	10.51	11.51	12.51
Discount factor	11.4%	0.95	0.85	0.76	0.69	0.62	0.55	0.50	0.45	0.40	0.36	0.32	0.29	0.26
Present value		28.2	12.5	10.1	6.6	6.2	6.8	5.1	4.5	5.2	5.1	6.6	5.3	4.5
Low NPV	**165.6**													

AUD' million	FY2036	FY2037	FY2038	FY2039	FY2040	FY2041	FY2042	FY2043	FY2044	FY2045	FY2046	FY2047	FY2048	FY2049	FY2050	FY2051	FY2052
Total revenue	**53.1**	**54.5**	**56.4**	**59.5**	**61.9**	**63.6**	**65.3**	**67.4**	**69.0**	**69.8**	**72.1**	**78.5**	**80.4**	**78.1**	**79.4**	**81.2**	**74.3**
Operating Expenditure	(20.2)	(20.7)	(21.2)	(21.3)	(21.8)	(22.3)	(22.8)	(23.4)	(22.7)	(22.0)	(22.6)	(23.1)	(23.7)	(24.3)	(24.9)	(25.5)	(19.6)
EBITDA	**32.9**	**33.8**	**35.2**	**38.3**	**40.2**	**41.3**	**42.5**	**44.1**	**46.3**	**47.8**	**49.6**	**55.3**	**56.7**	**53.8**	**54.5**	**55.7**	**54.7**
Depreciation	(13.7)	(13.7)	(13.7)	(13.7)	(13.7)	(13.7)	(13.7)	(13.7)	(13.7)	(13.7)	(13.7)	(10.3)	–	–	–	–	0.0
Operating cash flow before tax less depreciation	**19.2**	**20.1**	**21.5**	**24.6**	**26.5**	**27.7**	**28.8**	**30.4**	**32.6**	**34.1**	**35.9**	**45.1**	**56.7**	**53.8**	**54.5**	**55.7**	**54.7**
Less: Taxes	(5.8)	(6.0)	(6.5)	(7.4)	(7.9)	(8.3)	(8.6)	(9.1)	(9.8)	(10.2)	(10.8)	(13.5)	(17.0)	(16.1)	(16.3)	(16.7)	(16.4)
Add: Decreases in NWC	0.0	(0.1)	0.0	(0.0)	0.1	(0.0)	(0.0)	0.0	0.0	0.2	0.1	(0.5)	0.5	0.5	(0.0)	(0.0)	0.7
Add: Depreciation	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	10.3	–	–	–	–	(0.0)
Unlevered free cash flow	**27.1**	**27.7**	**28.8**	**30.8**	**32.3**	**33.0**	**33.8**	**35.0**	**36.5**	**37.7**	**38.9**	**41.3**	**40.2**	**38.2**	**38.1**	**39.0**	**39.0**
Less: Interest*(1-Tax)	(4.5)	(4.3)	(4.1)	(3.9)	(3.7)	(3.5)	(3.3)	(3.1)	(2.8)	(2.6)	–	–	–	–	–	–	–
Add: Net borrowing	(4.5)	(4.8)	(4.0)	(5.4)	(5.6)	(6.0)	(6.3)	(5.8)	(7.1)	(7.4)	(7.8)	(8.3)	(8.7)	(9.2)	(9.7)	(10.2)	(10.8)
Levered free cash flow (pre-Franking Credits)	**18.1**	**18.6**	**20.7**	**21.6**	**23.0**	**23.6**	**24.2**	**26.1**	**26.7**	**27.7**	**31.1**	**33.0**	**31.4**	**29.0**	**28.4**	**28.7**	**28.2**
Add: Franking Credits	3.0	3.3	3.7	4.5	5.0	5.4	5.7	6.2	6.8	7.2	8.6	10.8	10.8	9.9	9.7	9.8	9.7
Levered free cash flow	**21.1**	**21.9**	**24.4**	**26.1**	**28.0**	**28.9**	**30.0**	**32.3**	**33.4**	**34.9**	**39.7**	**43.9**	**42.2**	**38.9**	**38.2**	**38.6**	**37.9**
Residual value																	**42.1**
Discount periods (mid-point discounting)	13.51	14.51	15.51	16.51	17.51	18.52	19.52	20.52	21.52	22.52	23.52	24.52	25.52	26.52	27.52	28.52	29.52
Discount factor	0.28	0.26	0.24	0.22	0.20	0.18	0.16	0.15	0.14	0.12	0.11	0.10	0.09	0.08	0.08	0.07	0.06
Present value	6.0	5.7	5.8	5.6	5.5	5.2	4.9	4.8	4.5	4.3	4.4	4.5	3.9	3.3	2.9	2.7	5.1
High NPV																	
Residual value																	**42.1**
Discount periods (mid-point discounting)	13.51	14.51	15.51	16.51	17.51	18.52	19.52	20.52	21.52	22.52	23.52	24.52	25.52	26.52	27.52	28.52	29.52
Discount factor	0.23	0.21	0.19	0.17	0.15	0.14	0.12	0.11	0.10	0.09	0.08	0.07	0.06	0.06	0.05	0.05	0.04
Present value	4.9	4.6	4.6	4.4	4.3	4.0	3.7	3.6	3.3	3.1	3.2	3.1	2.7	2.2	2.0	1.8	3.3
Low NPV																	

Source: Management forecasts, RSM analysis

APPENDIX H – TRADING COMPARABLE COMPANIES

Company	Business Description
Genex Power Limited	Genex Power Limited develops and commercializes renewable energy generation and storage projects in Australia. The company generates power through hydro, wind, and solar projects. Its flagship project is the Kidston Clean Energy Hub comprising 50MW solar project and the 250MW Kidston Pumped hydro project located in the north Queensland. The company was incorporated in 2011 and is based in Sydney, Australia.
Genesis Energy Limited	Genesis Energy Limited generates, trades in, and sells electricity to residential and business customers in New Zealand. It generates electricity from thermal, hydro, and wind sources. The company operates through Retail, Wholesale, and Kupe segments. The Retail segment supplies energy, including electricity, gas, and LPG to end-users, as well as provides related services. The Wholesale segment engages in the supply of electricity to the wholesale electricity market; supply of gas and LPG to wholesale and retail customers; and purchase and sale of derivatives to fix the price of electricity. The Kupe segment is involved in the exploration, development, and production of gas, oil, and LPG; and supply of gas and LPG to the wholesale segment, and light oil. The company's generation asset portfolio comprises the Huntly power station with a generation capacity of 953 MW; Tongariro Power Scheme that comprises three power stations with a generation capacity of 361.8MW; Waikaremoana Power Scheme, which includes three power stations with a generation capacity of 138 MW; and Tekapo Power Scheme with a generation capacity of 190 MW; and Hau Nui wind farm with 15 wind turbines. The company was formerly known as Genesis Power Limited and changed its name to Genesis Energy Limited in September 2013. Genesis Energy Limited was incorporated in 1998 and is headquartered in Auckland, New Zealand.

Company	Business Description
Meridian Energy Limited	Meridian Energy Limited engages in the generation, trading, and retailing of electricity to residential, business, and industrial customers in New Zealand, Australia, and the United Kingdom. As of June 30, 2022, it generates electricity through 7 hydro stations that has a capacity of 2,353 MW; 5 wind farms that has a capacity of 416 MW; and solar farms. The company also provides management, insurance, financing, professional, trustee, and software development services; and licenses Flux developed electricity and gas retailing platform, as well as offers solar installation services. It sells electricity under the Meridian Energy and Powershop brands. The company was formerly known as Hydro Energy Limited and changed its name to Meridian Energy Limited in March 1999. Meridian Energy Limited was incorporated in 1998 and is based in Wellington, New Zealand.
NZ Windfarms Limited	NZ Windfarms Limited generates and sells electricity to the national grid in New Zealand. The company operates the Te Rere Hau wind farm, including 92 turbines with the capacity of 46 megawatts located in the North Range road in the Taraua Ranges. It serves 16,000 homes. The company was incorporated in 2002 and is based in Palmerston North, New Zealand.
Mercury NZ Limited	Mercury NZ Limited, together with its subsidiaries, engages in the production, trading, and sale of electricity and related activities in New Zealand. The company operates through Generation/ Wholesale, Retail, and Other segments. It operates 9 hydro generation stations on the Waikato River; five wind plants; and five geothermal generation stations in the central North Island. The company sells electricity to residential, commercial, industrial, and spot market customers under the GLOBUG, Trustpower, and Mercury brands. It also provides piped natural gas; and telecommunication and other products and services. The company was formerly known as Mighty River Power Limited and changed its name to Mercury NZ Limited in July 2016. Mercury NZ Limited was incorporated in 1998 and is based in Auckland, New Zealand.

Company	Business Description
Audax Renovables, S.A.	Audax Renovables, S.A. engages in the generation and supplying of renewable electricity and gas in Spain, in seven European countries. The company has a portfolio of wind and photovoltaic farms in Spain, Portugal, Italy, France, Poland, and Panama with capacity of 1,415 MW. The company was incorporated in 2000 and is based in Badalona, Spain.
Arise AB (publ)	Arise AB (publ), together with its subsidiaries, operates in the renewable energy sector. It operates through three segments: Development, Production, and Solutions. The company develops, constructs, manages, and sells wind farms. It is also involved in the production and sale of electricity and electricity certificates. The company operates a portfolio of managed wind power approximately 2,600 MW in Sweden, Norway, and Scotland. It has 10 wind farms with a total capacity of 139 MW in southern Sweden. The company was formerly known as Arise Windpower AB (publ) and changed its name to Arise AB (publ) in June 2013. Arise AB (publ) was incorporated in 1986 and is headquartered in Halmstad, Sweden.
Neoen S.A.	Neoen S.A., an independent renewable energy production company, engages in the design, development, finance, construction project management, and operation of renewable energy power plants. The company operates solar, wind, and energy storage plants. It operates in Argentina, Australia, Croatia, Ecuador, United States, Finland, France, Ireland, Italy, Jamaica, Mexico, Mozambique, Portugal, El Salvador, Sweden, and Zambia. Neoen S.A. was incorporated in 2008 and is headquartered in Paris, France. Neoen S.A. is a subsidiary of Impala SAS.

Company	Business Description
Voltalia SA	Voltalia SA engages in the production of electricity from renewable energy sources. It operates through two segments, Energy Sales and Services. The company develops, constructs, operates, and maintains wind, solar, hydro, and biomass power plants. It also develops and sells projects, and procures equipment for solar power plants, as well as provides maintenance service. As of December 31, 2021, the company operated solar power plant with an installed capacity of 98 MW. It operates in Africa, the Middle East, Asia, other Europe, Brazil, and Latin America. The company was incorporated in 2005 and is headquartered in Paris, France. Voltalia SA is a subsidiary of Voltalia Investissement SA.
Boralex Inc.	Boralex Inc., together with its subsidiaries, engages in the development, construction, and operation of renewable energy power facilities primarily in Canada, France, the United States, and the United Kingdom. As of December 31, 2022, the company had interests in 90 wind farms with an installed capacity of 2,584 megawatts (MW); 16 hydroelectric power stations with a capacity of 181 MW; and 12 solar power stations with an installed capacity of 255 MW. Boralex Inc. was incorporated in 1982 and is headquartered in Kingsey Falls, Canada.
Alerion Clean Power S.p.A.	Alerion Clean Power S.p.A. engages in the production of electricity through wind power in Italy. It has wind power plants located in Krupen, Bulgaria; and Comiolica, Spain. The company is headquartered in Milan, Italy. Alerion Clean Power S.p.A. is a subsidiary of FRI-EL Green Power S.p.A.
clearvise AG	clearvise AG operates as an independent electricity producer from renewable energies in Europe. As of December 31, 2022, its operational portfolio consists of wind and solar parks, and a biogas plant in four countries with an installed capacity of approximately 303 MW. The company was formerly known as ABO Invest AG and changed its name to clearvise AG in January 2021. Clearwise AG was founded in 2010 and is based in Wiesbaden, Germany.

Company	Business Description
ABO Wind AG	ABO Wind AG develops renewable energy projects in Germany, Finland, France, Spain, Argentina, Greece, Ireland, Poland, Tunisia, Hungary, the United Kingdom, the Netherlands, Colombia, Canada, South Africa, and Tanzania. It develops wind farm projects, as well as undertakes engineering, procurement, and construction (EPC) works for its projects and third parties. The company also provides power plant management services, such as commercial management, technical management and assessment, and maintenance and service, as well as replaces and repairs components. In addition, it engages in the project development, EPC, and operational management of solar projects. Further, the company provides operational management services for biogas plants; develops biogas plants; purchases and optimizes existing biogas plants; and offers bioenergy services. Additionally, it provides solutions for the storage of renewable energies; and ABO Lock, a digital access control locking system, as well as designs, constructs, and operates hybrid energy systems with renewables for infrastructure, mines, commercial and industrial, remote communities, tourism and hotels, and island and isolated power grid sectors. The company connects wind energy, solar energy, and storage facilities with an output of approximately 1,900 megawatts to the grid. ABO Wind AG was founded in 1996 and is headquartered in Wiesbaden, Germany.
Energiekontor AG	Energiekontor AG, a project developer, engages in the planning, construction, and operation of wind farms and solar parks in Germany, Portugal, and Great Britain. It owns and operates 139 wind farms and 14 solar parks with a total output of approximately 1.3 gigawatt. The company was founded in 1990 and is headquartered in Bremen, Germany.
Greencoat Renewables PLC	Greencoat Renewables PLC invests in, acquires, operates, and manages wind farms in France, Finland, Sweden, and Spain. As of December 31, 2021, the company operated 25 wind farms with an aggregate generating capacity of 800 megawatts. It also invests in solar generation assets. The company was incorporated in 2017 and is based in Dublin, Ireland.

Company	Business Description
Orrön Energy AB (publ)	Orrön Energy AB (publ) operates as an independent renewable energy company. It has wind and hydro assets in the Nordics, a wind farm in Finland, a hydropower plant in Norway, and a Karskruv wind farm in southern Sweden. The company was formerly known as Lundin Energy AB (publ) and changed its name to Orrön Energy AB (publ) in July 2022. Orrön Energy AB (publ) was founded in 2001 and is based in Stockholm, Sweden.
Cloudberry Clean Energy ASA	Cloudberry Clean Energy ASA operates as a renewable energy company. It operates through four segments: Production, Development, Operations and Corporate. The company engages in the ownership, development, and operation of hydropower plants and wind farms in Norway, Sweden, and Denmark. Cloudberry Clean Energy ASA was incorporated in 2017 and is headquartered in Oslo, Norway.
EDP Renováveis, S.A.	EDP Renováveis, S.A., a renewable energy company, plans, constructs, operates, and maintains electric power generation plants. The company operates wind and solar farms. As of December 31, 2021, it had an installed capacity of 5,908 megawatts in the United States; 2,194 megawatts in Spain; 795 megawatts in Brazil; and 1,142 megawatts in Portugal. The company was incorporated in 2007 and is headquartered in Madrid, Spain. EDP Renováveis, S.A. operates as a subsidiary of EDP-Energias de Portugal, S.A.
Clearway Energy, Inc.	Clearway Energy, Inc. operates in the renewable energy business in the United States. The company operates through Conventional, Renewables, and Thermal segments. It has approximately 5,500 net megawatts (MW) of installed wind and solar generation projects; and approximately 2,500 net MW of natural gas generation facilities. The company was formerly known as NRG Yield, Inc. and changed its name to Clearway Energy, Inc. in August 2018. Clearway Energy, Inc. was incorporated in 2012 and is based in Princeton, New Jersey. Clearway Energy, Inc. operates as a subsidiary of Clearway Energy Group LLC.

Company	Business Description
Brookfield Renewable Corporation	Brookfield Renewable Corporation owns and operates a portfolio of renewable power and sustainable solution assets primarily in the United States, Europe, Colombia, and Brazil. It operates hydroelectric, wind, and solar power plants with an installed capacity of approximately 12,857 megawatts. The company was incorporated in 2019 and is headquartered in New York.

APPENDIX I – COMPARABLE TRANSACTIONS

Target	Target business description
115 MW El Arrayán Wind Project	115 MW El Arrayán Wind Project comprises electricity generation business through wind energy. The asset is located in Chile.
119-megawatt Willogoleche wind farm	119-megawatt Willogoleche wind farm comprises a wind farm with a production capacity of 119 megawatt. The asset is located in Australia.
171 MW portfolio of onshore wind projects	As of January 7, 2021, 171 MW portfolio of onshore wind projects was acquired by Renewable Power Capital Limited. 171 MW portfolio of onshore wind projects comprises wind farms. The asset is located in Finland.
250-MW Blooming Grove Wind Farm of Invenergy LLC	250-MW Blooming Grove Wind Farm of Invenergy LLC comprises a wind energy farm with a production capacity of 250 megawatt. The asset is located in the United States.
270 MW Snowtown 2 Wind Farm of Tilt Renewables Limited	270 MW Snowtown 2 Wind Farm of Tilt Renewables Limited comprises a wind farm and is located in Australia.
ACEN Australia Pty Ltd	ACEN Australia Pty Ltd engages in renewable energy projects. The company was formerly known as UPC Renewables Australia Pty Ltd. The company was founded in 2016 and is based in Hobart, Australia. ACEN Australia Pty Ltd is a prior subsidiary of UPC-AC Energy Australia (HK) Limited and AC Energy and Infrastructure Corporation. As of February 1, 2023, ACEN Australia Pty Ltd operates as a subsidiary of AC Renewables International Pte Ltd.
Audax Renovables, S.A.	Audax Renovables, S.A. engages in the generation and supplying of renewable electricity and gas in Spain, in seven European countries. The company has a portfolio of wind and photovoltaic farms in Spain, Portugal, Italy, France, Poland, and Panama with capacity of 1,415 MW. The company was incorporated in 2000 and is based in Badalona, Spain.
Bishop Hill III Wind Energy Center in Henry County, Illinois	Bishop Hill III Wind Energy Center in Henry County, Illinois comprises a wind park consisting of 53 turbines. The asset is located in the United States.

Target	Target business description
Borkum Riffgrund 2	Borkum Riffgrund 2 comprises an offshore wind farm that generates electricity and is located in Germany.
Braes of Doune Wind Farm (Scotland) Limited	Braes of Doune Wind Farm (Scotland) Limited owns and operates wind farm and generates electricity. Braes of Doune Wind Farm (Scotland) Limited was formerly known as HMS (494) Limited and changed its name to Braes of Doune Wind Farm (Scotland) Limited in October 2003. The company was incorporated in 2003 and is based in Edinburgh, United Kingdom. Braes of Doune Wind Farm (Scotland) Limited is a former subsidiary of SSE plc.
Bullfrog Power Inc.	Bullfrog Power Inc. was acquired by Envest Corp. Bullfrog Power Inc., a green energy provider, offers renewable energy solutions to homes and businesses. It owns and operates wind and hydro facilities that produce green electricity. The company also provides green natural gas that is produced from biogas facilities. It offers its services in British Columbia, Alberta, Ontario, Nova Scotia, New Brunswick, and Prince Edward Island. Bullfrog Power Inc. was incorporated in 2004 and is based in Toronto, Canada. As of July 4, 2018, Bullfrog Power Inc. operates as a subsidiary of Spark Power Group Inc. As of November 30, 2022, Bullfrog Power Inc. operates as a subsidiary of Envest Corp.
ContourGlobal plc	ContourGlobal plc engages in the wholesale power generation businesses in Europe, Latin America, the United States, and Africa. The company generates 1,808 MW of renewable electricity from hydro, solar, wind, and biogas; and 2,509 MW of thermal electricity from gas, coal, and oil. It operates a portfolio of 138 thermal and renewable power generation assets. The company was founded in 2005 and is based in London, the United Kingdom. ContourGlobal plc is a subsidiary of ContourGlobal LP. As of December 20, 2022, ContourGlobal plc was taken private.

Target	Target business description
Greenalia, S.A.	Greenalia, S.A., an independent renewable energy producer, generates and sells electricity in Spain and rest of Europe, and the United States. It operates through Onshore Wind, Offshore Wind, Photovoltaic, Storage, and Biomass divisions. The company generates electricity through wind, solar photovoltaic, and biomass technologies. It is also involved in the promotion, production, and storage of energy. The company was formerly known as Grupo Garcia Forestal, S.L. and changed its name to Greenalia, S.A. in September 2016. Greenalia, S.A. was incorporated in 2013 and is based in Corunna, Spain. Greenalia, S.A. is a subsidiary of Smarttia Spain, S.L.U.
GVO Wind Limited and Bluemerang Capital Limited	GVO Wind Limited and Bluemerang Capital Limited represents the combined operations of GVO Wind Limited and Bluemerang Capital Limited in their sale to Tenaga Wind Ventures UK Ltd. GVO Wind Limited and Bluemerang Capital Limited own and operate renewable energy and wind portfolios. The companies are based in the United Kingdom.
Iberdrola Australia Limited	Iberdrola Australia Limited was formerly known as Infigen Energy Limited and changed its name to Iberdrola Australia Limited in May 2021. Iberdrola Australia Limited was incorporated in 2003 and is based in Sydney, Australia. As of October 21, 2020, Iberdrola Australia Limited operates as a subsidiary of Iberdrola Renewables Australia Pty Ltd.
Infinergy Limited	Infinergy Limited develops, constructs, and operates wind farms that generate wind energy in the British Isles. It offers services in the areas of site selection, planning, and financial close, and other services. The company was founded in 2003 and is based in Wimborne, United Kingdom with an additional office in Inverness, United Kingdom. As of July 4, 2022, Infinergy Limited operates as a subsidiary of Boralex Inc.
Kempstone Hill Wind Energy Limited	Kempstone Hill Wind Energy Limited engages in the generation of electricity through wind energy. The company was incorporated in 2010 and is based in Peterhead, United Kingdom. As of February 1, 2022, Kempstone Hill Wind Energy Limited operates as a subsidiary of The Parkmead Group plc.

Target	Target business description
Macarthur Wind Farm in Australia	Macarthur Wind Farm in Australia comprises the wind farm. The asset is located in Australia.
Mainstream Renewable Power Limited	Mainstream Renewable Power Limited develops, finances, constructs, and operates renewable energy plants. The company develops onshore and offshore wind and solar projects. It serves utilities and investment companies, and others worldwide. Mainstream Renewable Power Limited was founded in 2008 and is based in Dublin, Ireland. It also has offices in Calgary, Canada; Santiago and Los Angeles, Chile; Beijing, China; London, United Kingdom; Berlin, Germany; Dublin, Ireland; Glasgow, Scotland; Cape Town and Johannesburg, South Africa; Chicago, Illinois; and Santa Monica, California. As of May 11, 2021, Mainstream Renewable Power Limited operates as a subsidiary of Aker Horizons ASA.
Moose Lake Wind Farm	Moose Lake Wind Farm comprises a wind energy project with a production capacity of 15 megawatt. The asset is located in Canada.
Neart na Gaoithe Wind Farm Project of Mainstream Renewable Power Limited	As of May 3, 2018, Neart na Gaoithe Wind Farm Project of Mainstream Renewable Power Limited was acquired by EDF Energy Renewables Limited. Neart na Gaoithe Wind Farm Project of Mainstream Renewable Power Limited engages in generation of electricity through wind. The asset is located in the United Kingdom.
One Wind Services Inc.	One Wind Services Inc. owns and operates the wind power projects. The company was formerly known as Eon WindElectric Inc and changed its name to One Wind Services Inc. in October 2015. One Wind Services Inc. was founded in 2006 and is based in Dartmouth, Canada. As of November 1, 2019, One Wind Services Inc. operates as a subsidiary of Spark Power Corp.

Target	Target business description
Parc Eolien du Melier, Parc Eolien de la Vallée de Torfou and Epuron Energies Renouvelables	As of May 15, 2018, Parc Eolien du Melier, Parc Eolien de la Vallée de Torfou and Epuron Energies Renouvelables were acquired by ERG Power Generation S.p.A. Parc Eolien du Melier, Parc Eolien de la Vallée de Torfou and Epuron Energies Renouvelables represents the combined operations of Parc Eolien du Melier SAS, Parc Eolien de la Vallée de Torfou SAS, and Epuron Energies Renouvelables SAS in their sale to ERG Power Generation S.p.A. Parc Eolien du Melier SAS, Parc Eolien de la Vallée de Torfou SAS, and Epuron Energies Renouvelables SAS own and operate wind farms. The companies are based in France.
Perth Energy Pty Ltd	Perth Energy Pty Ltd operates as an independent electricity and gas retailer that engages in the generation and retail of electricity for small, medium, and large businesses in Western Australia. The company generates electricity through gas and solar energy sources. It also owns, operates, and maintains Kwinana Swift Power Station, an open cycle gas turbine power plant in Kwinana. The company was founded in 1999 and is based in Perth, Australia. Perth Energy Pty Ltd is a subsidiary of Perth Energy Holdings Pty Limited.
Phase A and B of Dogger Bank 2.4 GW Project	Phase A and B of Dogger Bank 2.4 GW Project comprises a wind project with a production capacity of 2.4 gigawatt. The asset is located in the United Kingdom.
Pluckanes Windfarm Limited	Pluckanes Windfarm Limited is engaged in the generation of electricity through wind turbine. The company was incorporated in 2009 and is based in Cork, Ireland. The company operates as a subsidiary of Reforce Energy Limited.
Portfolio of Four Wind Facilities in Texas	Portfolio of Four Wind Facilities in Texas comprises wind farms. The asset is located in the United States.
Portfolio of Operating Wind Projects	As of August 22, 2022, Portfolio of Operating Wind Projects was acquired by Clearway Energy, Inc. Portfolio of Operating Wind Projects comprises wind projects. The asset is located in the United States.
Portfolio of Wind Farm Assets in Australia	Portfolio of Wind Farm Assets in Australia comprises wind energy generation farms. The asset is located in Australia.

Target	Target business description
Portfolio of wind generating assets of Brookfield Renewable Partners L.P. and Invenergy LLC	Portfolio of wind generating assets of Brookfield Renewable Partners L.P. and Invenergy LLC comprises wind generating assets and is located in the United States.
SR Energy AB	SR Energy AB develops and operates large wind farms. The company designs, constructs and manages sustainable wind power generation plants in order to provide household electricity to the customers. SR Energy AB was formerly known as Stena Renewable AB. The company was founded in 2005 and is based in Gothenburg, Sweden.
Stockyard Hill Wind Farm Pty Ltd	Stockyard Hill Wind Farm Pty Ltd operates a wind energy project. It offers electricity to the national electricity grid. The company was incorporated in 2006 and is based in Melbourne, Australia. As of May 12, 2017, Stockyard Hill Wind Farm Pty Ltd operates as a subsidiary of Xinjiang GoldWind Science&Technology Co., Ltd. and Goldwind International Holdings (HK) Limited.
Tatanka Ridge Wind Farm	Tatanka Ridge Wind Farm comprises a wind farm and is located in the United States.
Tilt Renewables Limited	Tilt Renewables Limited, together with its subsidiaries, engages in the development, ownership, and operation of electricity generation facilities. The company operates through Australian Generation and New Zealand Generation segments. It generates electricity from renewable energy sources, such as wind and solar energy. It also provides financial services, and trades in electricity and associated products from renewable energy sources. As of March 31, 2021, the company operated 170MW of wind generation assets in Australia and 329MW of wind generation assets in New Zealand. It has strategic partnership with Genesis Energy. The company was incorporated in 2002 is based in Auckland, New Zealand. Tilt Renewables Limited is a subsidiary of Infratil 2018 Limited. As of August 3, 2021, Tilt Renewables Limited operates as a subsidiary of Powering Australian Renewables.

Target	Target business description
Tri Global Energy, LLC	Tri Global Energy, LLC develops, constructs, owns, and operates wind, solar, and hybrid power projects for communities in West Texas, Eastern New Mexico, and the Central United States. It provides wind, solar, and hybrid energy. The company serves communities, local governments, corporations and its partners. It also engages in developing, financing, constructing, and operating residential and commercial roof-top solar energy to deliver solar power to homes, churches, schools and businesses. Tri Global Energy, LLC was incorporated in 2009 and is based in Dallas, Texas with additional offices in Lubbock, Texas; El Paso and Forreston, Illinois; and Hartford City, Indiana. As of September 27, 2022, Tri Global Energy, LLC operates as a subsidiary of Enbridge Inc.
Upstream Wind Energy Center	Upstream Wind Energy Center comprises wind energy generating facility. The asset is located in the United States.
Walney (UK) Offshore Windfarms Limited	Walney (UK) Offshore Windfarms Limited develops, constructs, and operates wind farms that engage in offshore wind power generation activities. It serves households in the United Kingdom. Walney (UK) Offshore Windfarms Limited was formerly known as Dong Walney (UK) Limited and changed its name to Walney (UK) Offshore Windfarms Limited in January 2010. The company was incorporated in 2004 and is based in London, United Kingdom. Walney (UK) Offshore Windfarms Limited operates as a subsidiary of Ørsted A/S.
Windlab Limited	Windlab Limited, renewable wind energy development company, develops, finances, constructs, and operates wind farms in Australia and South Africa. It also provides asset management services to various operating wind farms. The company has development portfolio of 45 projects with a capacity of approximately 7,700 megawatts. Windlab Limited was founded in 2003 and is headquartered in Canberra, Australia. Windlab Limited operates as a subsidiary of Squadron Energy Pty Ltd.

The following is the text of a report from Grant Thornton Hong Kong Limited, the reporting accountants of the Company, for the purpose of inclusion in this circular.

REPORT ON CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF THE EQUITY INTEREST IN MOORABOOL WIND FARM (HOLDING) PTY LTD AND MOORABOOL SOUTH WIND FARM (HOLDING) PTY LTD

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 24 May 2023 prepared by RSM Corporate Australia Pty Ltd in respect of the entire equity interest in Moorabool Wind Farm (Holding) Pty Ltd and Moorabool South Wind Farm (Holding) Pty Ltd (collectively "**Target Companies**") as at 31 December 2022 is based (the "**Valuation**"). The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Valuation will be included in a circular issued by the Company in connection with acquisition of the Target Companies (the "**Circular**").

Directors' responsibilities

The directors of the Company are responsible for the reasonableness and validity of the assumptions as set out in the Circular (the "**Assumptions**"), based on which the discounted future estimated cash flows and the Valuation 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 Valuation 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. 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 equity interest in Target Companies.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company or Target Companies have been adopted in its preparation. 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 Valuation 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.

Yours faithfully

Grant Thornton Hong Kong Limited
Certified Public Accountants
Hong Kong

9 June 2023

9 June 2023

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

Dear Sirs or Madams,

MAJOR TRANSACTION – ACQUISITION OF 26% OF THE ISSUED SHARE CAPITAL IN EACH OF THE TARGET COMPANIES OWING MOORABOOL WIND FARM IN BALLARAT, AUSTRALIA

We refer to the circular of the Company (the "**Circular**") in relation to the acquisition of 26% of the issued share capital in Moorabool Wind Farm (Holding) Pty Ltd (the "**Target Company (North)**") and Moorabool South Wind Farm (Holding) Pty Ltd (the "**Target Company (South)**", together with the Target Company (North), collectively referred to as the "**Target Companies**"). Unless the context otherwise requires, terms defined in the Circular shall have the same meanings in this letter when used herein.

We refer to the Valuation Report dated 24 May 2023 prepared by the Valuer in relation to valuations of (i) the entire issued share capital in Target Company (North); and (ii) the entire issued share capital in Target Company (South) as at 31 December 2022 using the discounted cash flow method of the income approach (the "**Valuations**"). The Valuations are regarded as a profit forecast under Rule 14.61 of the Listing Rules (the "**Forecast**").

We hereby confirm that we have discussed with the Valuer about different aspects and reviewed information and documents in relation to the basis and assumptions based upon which the discounted cash flows in the Valuations has been prepared, and reviewed the Valuations prepared by the Valuer for which the Valuer is responsible for. We have also reviewed the calculations for the discounted cash flow in the Valuation Report issued by the Valuer. We have also considered the report from Grant Thornton Hong Kong Limited, the auditor of the Company, the reporting accountants of the Company, as set out in Appendix VI to the Circular regarding the calculations of the discounted cash flows in the Valuations upon which the Forecast has been made.

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

By order of the Board
Beijing Energy International Holding Co., Ltd.
Zhang Ping
Chairman of the Board

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Interests of Directors and chief executives of the Company and its associated corporation

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange 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) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(a) Long positions in the Shares and Underlying Shares

Name of Directors and the chief executives of the Company	Capacity/Nature of interest	Number of Shares/ underlying Shares held	Approximate Percentage of the issued Shares[1]
Mr. Zhang Ping	Beneficial Owner	31,000,000[2]	0.14%
Mr. Zhu Jun	Beneficial Owner	29,250,000[3]	0.13%

Notes:

1. These percentages are calculated based on 22,399,550,432 listed Shares in issue as at the Latest Practicable Date.

2. Among these interests, 24,000,000 share options were granted by the Company on 16 June 2022 under the share option scheme of the Company.

3. Among these interests, 28,050,000 share options were granted by the Company on 16 June 2022 under the share option scheme of the Company.

(b) Long positions in share options

Grantees	Date of grant	Exercise price *(HK$/Share)*	Number of outstanding share options	Capacity/ Nature of interest	Exercise period *(Note)*
Mr. Zhang Ping	16 June 2022	0.240	24,000,000	Beneficial owner	from 16 June 2024 to 15 June 2027
Mr. Zhu Jun	16 June 2022	0.240	28,050,000	Beneficial owner	from 16 June 2024 to 15 June 2027

Notes: Conditional upon the achievement or attainment of certain performance targets of the Company and the respective grantee, all share options granted shall vest in three tranches within a period of 3 years in proportions of 34%, 33% and 33%, i.e. 34% of the share options granted shall vest on 2nd anniversary of the grant, another 33% shall vest on the 3rd anniversary of the grant, and the remaining 33% shall vest on the 4th anniversary of the grant. In this table, "exercise period" of share options begins with the 2nd anniversary of the grant date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests and short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange 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) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Mr. Lu Zhenwei, an executive Director, is a director and the chairman of the board of directors of China Merchants New Energy Group Limited, which is a non-wholly-owned subsidiary of China Merchants Group Limited, the Company's substantial Shareholder, and the director of New Energy Exchange Limited, which is a party acting in concert with China Merchants New Energy Group Limited. Mr. Su Yongjian, a non-executive Director, is the head of energy investment department of BEH, the indirect controlling Shareholder. Mr. Lu Xiaoyu, a non-executive Director, is a member of the party committee and a deputy general manager of Qingdao Chengtou New Energy Group Co., Ltd.*(青島城投新能源集團有限公司), which is a subsidiary of the substantial Shareholder, Qingdao City Construction Investment (Group) Co., Ltd.*(青島城市建設投資(集團)有限責任公司).

3. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the Company, any member of the Group or any member of the Target Group was engaged in any litigation or claim of material importance to the Company, the Group or the Target Group and there is no significant litigation or claim of material importance to the Company, the Group or the Target Group known to the Directors pending by the Company, any member of the Group or any member of the Target Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, there was no existing or proposed service contract between any of the Directors and any member of the Group other than service contracts that are expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. DIRECTOR'S INTERESTS IN ASSETS AND CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Enlarged Group and no Director was interested in any assets which have been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Enlarged Group since 31 December 2022 (being the date of which the latest published audited financial statements of the Group were made up).

6. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their close associates had interests in any business which competes or was likely to compete, either directly or indirectly, with the business of the Group which would fall to be discloseable under the Listing Rules.

7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the members of the Enlarged Group within the two years immediately preceding the date of this circular and up to and including the Latest Practicable Date of this circular and are or may be material:

(a) the trust contract dated 10 March 2023 entered into between BEI Energy Development (Beijing) Co., Ltd.*（京能國際能源發展（北京）有限公司）(“**BEIED**”) and China Industrial International Trust Limited*（興業國際信託有限公司）(“**China Industrial International Trust**”), in relation to the formation of the trust and the transfer of the underlying assets, for the purpose of the issuance of the asset-backed commercial papers by China Industrial International Trust;

(b) the trust contract dated 28 December 2022 entered into between BEIED and China Industrial International Trust, in relation to the disposal of the underlying assets by BEIED to China Industrial International Trust;

(c) the call option deeds dated 20 December 2022 granted by each of Vendor (North) and Vendor (South) to MNS Wind Finance Pty Ltd (“**MNSWF**”), under which Vendor (North) and Vendor (South), irrevocably grant to MNSWF (or any other person nominated by MNSWF) an option to purchase, and require Vendor (North) and Vendor (South) to sell to MNSWF, 26% of the issued share capital in each of Target Company (North) and Target Company (South);

(d) the sale and purchase agreements dated 20 December 2022 entered into between MNSWF as the purchaser and each of Vendor (North) and Vendor (South) as vendors, in relation to the acquisition of 25% of the issued share capital in each of Target Company (North) and Target Company (South);

(e) the conditional equity transfer agreement(s) and the supplemental agreement(s) (as applicable) dated 1 March 2022 entered into between BEIED, as purchaser and Shanghai Sineng Investment Co., Ltd.*（上海斯能投資有限公司）, as vendor respectively, in relation to the proposed acquisitions of the equity interest in each of Shuozhou City Pinglu District Honggou Wind Energy Co., Ltd.*（朔州市平魯區紅溝風電有限公司）, Xiyang County Sineng New Energy Co., Ltd.*（昔陽縣斯能新能源有限公司）, Xiyang County Sineng Wind Energy Co., Ltd.*（昔陽縣斯能風電有限公司）and Youyu County Sineng Wind Energy Co., Ltd.*（右玉縣斯能風電有限公司）;

(f) the conditional equity transfer agreements dated 30 December 2021 entered into between BEIED as purchaser, Hebei Hangtian Yuanfeng New Energy Technology Co., Ltd.*（河北航天遠豐新能源科技有限公司）and Guangzong County Guoshun Energy Co., Ltd.*（廣宗縣國順能源有限公司）as vendors and Guangzong County Guorui Energy Co., Ltd.*（廣宗縣國瑞能源有限公司）, Longyao County Guochang New Energy Technology Co., Ltd.*（隆堯縣國昌新能源科技有限公司）and Nangong City Guoshun New Energy Technology Co., Ltd.*（南宮市國順新能源科技有限公司）as target companies, respectively, in relation to the acquisition of the entire equity interest in each of the target companies;

(g) the conditional equity transfer agreement dated 28 December 2021 entered into between BEIED as purchaser, Zanhuang County Shunli Energy Co., Ltd.*（贊皇縣順利能源有限公司）as vendor and Nangong City Guorui New Energy Technology Co., Ltd.*（南宮市國瑞新能源科技有限公司）as target company, in relation to the acquisition of the entire equity interest in the target company;

(h) the conditional equity transfer agreement dated 22 December 2021 entered into between BEIED as purchaser, Nangong City Yuchuan New Energy Technology Co., Ltd.*（南宮市禹川新能源科技有限公司）as vendor and Nangong City Guolong New Energy Technology Co., Ltd.*（南宮市國隆新能源科技有限公司）as target company, in relation to the acquisition of the entire equity interest in the target company;

(i) the equity transfer agreement(s) and the supplemental agreement(s) dated 10 December 2021 entered into between BEIED as purchaser and Shanghai Sineng Investment Co., Ltd.*（上海斯能投資有限公司）, as vendor, respectively, in relation to the acquisitions of the entire equity interest in each of Yangqu County Weilan New Energy Co., Ltd.*（陽曲縣蔚藍新能源有限公司）, Hunyuan Sineng New Energy Co., Ltd.*（渾源斯能新能源有限公司）, Pianguan County Sineng Wind Energy Co., Ltd.*（偏關縣斯能風電有限公司）and Heshun County Sineng Wind Energy Co., Ltd.*（和順縣斯能風電有限公司）;

(j) the subscription agreement dated 22 June 2021 entered into between the Company, as the issuer and KGI Asia Limited, as the sole lead manager, in relation to the issue of US$50,000,000 3.8% convertible bonds due 2024 by the Company; and

(k) the equity transfer agreement dated 9 June 2021 entered into between BEIED as the purchaser, Shanxi Xinyou Investment Group Co., Ltd.*（山西信友投資集團有限公司）(“**Shanxi Xinyou**”) as the vendor and Xinjiang Xinyou New Energy Power Co., Ltd.*（新疆信友新能源發電有限公司）(“**Xinjiang Xinyou**”) as the target company, in relation to the acquisition of the entire equity interests in Xinjiang Xinyou at nil consideration and assumption of debts in the amount of RMB430,000,000. On the same date, BEIED, Shanxi Xinyou, Xinjiang Xinyou and Powerchina Jiangxi Electric Power Construction Co., Ltd.*（中國電建集團江西省電力建設有限公司）entered into the cooperation agreement in relation to the development of 50MW wind power project in Xinjiang.

8. EXPERTS AND CONSENTS

The following is the qualifications of the experts who have given their opinion or advice, which are contained or referred to in this circular:

Name	**Qualification**
RSM Corporate Australia Pty Ltd	Independent Valuer
Ernst & Young Australia	Independent Reporting Accountants
Grant Thornton Hong Kong Limited	Certified Public Accountants Registered Public Interest Entity Auditor

The above mentioned experts are independent third parties of the Company and its connected persons and are collectively referred to as the “Experts” hereinafter.

Each of the Experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name, in the form and context in which it appears.

As at the Latest Practicable Date, each of the Experts did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of the Experts did not have any direct or indirect shareholding in any member of the Group, or any right to subscribe for or to nominate persons to subscribe for securities in any member of the Group, or any interests, directly or indirectly, in any asset which had been acquired, disposed of by or leased to any member of the Group, or was proposed to be acquired, disposed of by or leased to any member of the Group, since 31 December 2022, being the date to which the latest published audited financial statements of the Company were made up.

The Valuation Report from the Valuer is set out in Appendix VA and Appendix VB of this circular and is given as at the Latest Practicable Date for incorporation herein.

The letter from Grant Thornton Hong Kong Limited in relation to the Valuation Report is set out in Appendix VI of this circular and is given as at the Latest Practicable Date for incorporation herein.

9. GENERAL

(a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda; and the principal place of business in Hong Kong is situated at Unit 1012, 10/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

(b) The Company's Hong Kong branch share registrar and transfer office is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(c) The company secretary of the Company is Ms. Zhang Xiao, an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

(d) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published and displayed on the website of the HKEXnews (http://www.hkexnews.hk) and on the website of the Company (http://www.bjei.com) for a period of 14 days from the date of this circular (both days inclusive):

(a) Notice of Exercise (North);

(b) Notice of Exercise (South);

(c) Sale and Purchase Agreement (North);

(d) Sale and Purchase Agreement (South);

(e) the accountant's report on the financial information of Moorabool Wind Farm (Holding) Pty Ltd, Moorabool South Wind Farm (Holding) Pty Ltd and Moorabool Wind Farm Interface Company Pty Ltd, the text of which is set out in Appendix IIA, Appendix IIB and Appendix IIC of this circular;

(f) the unaudited pro forma financial information of the Enlarged Group and the report of Grant Thornton Hong Kong Limited thereon, the text of which is set out in Appendix III of this circular;

(g) the Valuation Report from the Valuer, the summarised text of which is set out in Appendix VA and Appendix VB of this circular;

(h) the letter from Grant Thornton Hong Kong Limited in relation to the Valuation Report, the text of which is set out in Appendix VI of this circular;

(i) the letter from the Board in relation to the profit forecast, the text of which is set out in Appendix VI of this circular; and

(j) the consent letters from the Experts referred to in the paragraph headed "8. Experts and Consents" in this appendix.

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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the special general meeting (the "**SGM**") of Beijing Energy International Holding Co., Ltd. (the "**Company**") will be held at Taishan Room, Level 5, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Tuesday, 27 June 2023 at 11:30 a.m. (or immediately after the conclusion of the annual general meeting of the Company to be convened at the same place and date at 11:00 a.m., whichever is later) for the purpose of considering and, if thought fit, passing with or without modification or amendment the following resolution:

ORDINARY RESOLUTION

"**THAT**:

1. (a) the Notices of Exercise and the Sale and Purchase Agreements (as defined in the circular of the Company dated 9 June 2023 (the "**Circular**")), a copy of which is marked "A" and initialled by the Chairman of the SGM for the purpose of identification, the terms and the transactions contemplated thereunder as set out in the Circular be and are hereby approved, confirmed and ratified; and

   (b) any one director of the Company be and is hereby authorised for and on behalf of the Company to take any action and execute such further documents as such director considers necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the Notices of Exercise and the Sale and Purchase Agreements, and the transactions contemplated thereunder."

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

Hong Kong, 9 June 2023

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or, if he holds two or more shares, more than one proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.

2. Whether or not you intend to attend the SGM in person, you are encouraged to complete and return the form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he/she/it so wish. In such event, the instrument appointing such a proxy shall be deemed to be revoked.

3. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be lodged at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding of the SGM or any adjournment thereof.

4. In the case of joint holders of shares, any one of such holders may vote at the SGM, either in person or by proxy, in respect of such share as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the SGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

5. Votes on the ordinary resolution set out herein and is to be passed at the SGM will be taken by way of poll.

6. If Tropical Cyclone Warning Signal No.8 or above, black rainstorm warning or extreme conditions caused by super typhoons is in effect in Hong Kong after 8:00 a.m. on the date of the SGM, the SGM will be postponed. The Company will post an announcement on the website of the Company at http://www.bjei.com and on the website of the HKEXnews at http://www.hkexnews.hk to notify shareholders of the date, time and place of the rescheduled meeting.

7. As at the date hereof, the Board comprises:

   Executive Directors:
   Mr. Zhang Ping *(Chairman)*
   Mr. Lu Zhenwei

   Non-executive Directors:
   Mr. Liu Guoxi
   Mr. Su Yongjian
   Mr. Li Hao
   Mr. Lu Xiaoyu

   Independent Non-executive Directors:
   Ms. Jin Xinbin
   Ms. Li Hongwei
   Mr. Zhu Jianbiao