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Confirmation of Your Representation: You will only access the Offering Circular on the basis that you have confirmed to SGSP (Australia) Assets Pty Ltd (ACN 126 327 624) in its capacity as the Issuer (as defined herein), each of the Guarantors (as defined herein), HSBC Bank plc, Mizuho Securities Asia Limited and Westpac Banking Corporation (the **Arrangers**), the Dealers (as defined in the Offering Circular) and the Trustee and the Agents (each as defined in the Offering Circular) that: (a) you and any customers you represent are non-U.S. persons eligible to purchase the securities outside the United States in an offshore transaction in reliance on Regulation S under the Securities Act (**Regulation S**) and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States; and (b) you consent to the delivery of the attached Offering Circular, any amendments or supplements to the Offering Circular and other information as a result of accessing the Offering Circular, by electronic transmission.

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The material relating to the offering does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Dealer(s) or any affiliate of the Dealer(s) is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Dealer(s) or such affiliate on behalf of the Issuers in such jurisdiction.

You are responsible for protecting against viruses and other destructive items. Your use of any form of electronic distribution is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

OFFERING CIRCULAR

SGSP (AUSTRALIA) ASSETS PTY LIMITED

(ABN 60 126 327 624)

(incorporated with limited liability in Australia)

U.S.$5,000,000,000

Medium Term Note Programme

Irrevocably and unconditionally guaranteed by
Jemena Limited (ABN 95 052 167 405)
Jemena Gas Pipelines Holdings Pty Ltd (ABN 72 127 203 650)
Jemena Eastern Gas Pipeline (1) Pty Ltd (ABN 15 068 570 847)
Jemena Eastern Gas Pipeline (2) Pty Ltd (ABN 77 006 919 115)
Jemena Queensland Gas Pipeline (1) Pty Ltd (ABN 97 083 050 284)
Jemena Queensland Gas Pipeline (2) Pty Ltd (ABN 70 083 050 104)

(each incorporated with limited liability in Australia)

On 2 June 2010, SGSP (Australia) Assets Pty Ltd (the **Issuer**) entered into a U.S.$5,000,000,000 Medium Term Note Programme (the **Programme**) and issued an offering circular on that date describing the Programme. This Offering Circular supersedes any previous offering circular and supplements thereto prepared in connection with the Programme. Any Notes (defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes already on issue.

Under this Programme, the Issuer may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The payments of all amounts due in respect of the Notes will be guaranteed pursuant to the terms of the guarantee (**Guarantee**) contained in the Trust Deed (as defined below) by Jemena Gas Pipelines Holdings Pty Ltd, Jemena Limited, Jemena Eastern Gas Pipeline (1) Pty Ltd, Jemena Eastern Gas Pipeline (2) Pty Ltd, Jemena Queensland Gas Pipeline (1) Pty Ltd and Jemena Queensland Gas Pipeline (2) Pty Ltd (together, the **Initial Guarantors** and each, an **Initial Guarantor**), subject to the terms of the Trust Deed. The Issuer may from time to time and in accordance with the terms of the Trust Deed and the terms and conditions of the Notes, appoint or procure the appointment of any Subsidiary (as defined below) of the Issuer which is not an Initial Guarantor as an additional Guarantor (as defined below) or obtain a release of the guarantee provided by a Guarantor in respect of the Notes.

The Notes other than the Notes issued under the Australian Deed Poll (as defined below) (the **AMTNs**) may be issued in bearer or registered form (respectively, **Bearer Notes** and **Registered Notes**) and will be constituted by an amended and restated trust deed dated 31 July 2025 between, the Issuer, the Initial Guarantors and Citicorp Investment Bank (Singapore) Limited (the **Trustee**) (the **Trust Deed**). The AMTNs may be issued in registered form only and will be constituted by a deed poll dated 4 April 2023 executed by the Issuer (the **Australian Deed Poll**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.$5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described below), subject to increase as described in the Programme Agreement.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the relevant Dealer shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Application will be made to the Singapore Exchange Securities Trading Limited (**SGX-ST**) to approve the listing and quotation of Notes that may be issued pursuant to the Programme which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST (**Official List**). Such approval will be granted when any such particular Series (as defined below) of Notes have been admitted to the Official List. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular. There is no assurance that any application to the SGX-ST for the listing of the Notes will be approved. The approval-in-principle, admission to the Official List and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, any Guarantor, the subsidiaries and associated companies of the Issuer and the Guarantors, the Programme or such Notes. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which, with respect to Notes to be listed on the SGX-ST, will be delivered to the SGX-ST before the date of listing of Notes of such Tranche.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

Notes issued under the Programme may be rated or unrated. Where a series of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme (if any) and (where applicable) such rating will be specified in the applicable Final Terms. No credit rating agency has been involved in the preparation of the Offering Circular. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. Credit ratings in respect of the Notes or the Issuer are for distribution to persons who are not a "retail" client within the meaning of section 761G of the Corporations Act of Australia 2001 (the **Corporations Act**) and are also sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 of the Corporations Act and in all cases in such circumstances as may be permitted by applicable laws in any jurisdiction in which an investor may be located. Anyone who is not such a person is not entitled to receive this Offering Circular and anyone who receives this Offering Circular must not distribute it to any person who is not entitled to receive it.

The credit rating of the Issuer referred to in this Offering Circular has been issued by Moody's Investors Service Pty Ltd (**Moody's**), which is not established or registered in the European Union or in the United Kingdom (**UK**) and has not applied for registration under Regulation (EC) No. 1060/2009 as amended by Regulation (EC) No. 513/2011 (the **EU CRA Regulation**) or Regulation (EC) No. 1060/2009 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (as amended, the **UK CRA Regulation**, together with the EU CRA Regulation, the **CRA Regulation**).

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Economic Area (**EEA**) or the UK and registered under the relevant CRA Regulation or issued by a credit rating agency established in a third country but whose credit ratings are endorsed by a credit ratings agency established in the EEA or the UK and registered under the relevant CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA or UK credit rating agencies, unless the relevant credit ratings are endorsed by an EEA or UK registered credit rating agency or the relevant third country rating agency is certified in accordance with a CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

The rating by Moody's has been endorsed by Moody's Investor Services Limited, in accordance with the UK CRA Regulation, and has not been withdrawn. Moody's Investor Services Limited is established in the UK and registered under the UK CRA Regulation. The rating by Moody's has been endorsed by Moody's Deutschland GmbH, in accordance with the EU CRA Regulation, and has not been withdrawn. Moody's Deutschland GmbH is established in the EEA and registered under the EU CRA Regulation. Moody's Deutschland GmbH is included in the list of credit rating agencies published by the European Securities and Markets Authorities (**ESMA**) on its website (at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the EU CRA Regulation. There can be no assurance that such endorsement of the credit ratings of Moody's will continue.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) or the laws of any state in the United States and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold, delivered, or transferred within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*") unless such Notes are registered under the Securities Act or an exemption from such registration is applicable.

The Issuer and the Guarantors may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event, in the case of listed Notes only and if appropriate, a supplemental Offering Circular will be published.

Arrangers and Dealers

HSBC **Mizuho** **Westpac Banking Corporation**

The date of this Offering Circular is 12 June 2026

This Offering Circular replaces in its entirety the Offering Circular dated 31 July 2025.

In making an investment decision, investors must rely on their own examination of the Issuer and the Guarantors and the terms of the Notes being offered, including the merits and risks involved. The Notes and the Guarantee (as defined below) have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

To the best of the knowledge of the Issuer and each of the Initial Guarantors as at the date of this Offering Circular, having made all reasonable enquiries, the information contained or incorporated in this Offering Circular is in accordance with the facts and there are no other facts the omission of which would make this Offering Circular or any of such information misleading. The Issuer and the Initial Guarantors accept responsibility accordingly.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers (as defined below), as the case may be. This Offering Circular and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealers of the Notes from time to time to be issued pursuant to the Programme. An investor intending to acquire or acquiring Notes from an offeror will do so, and offers and sales of the Notes to an investor by an offeror will be made, in accordance with any terms and other arrangements in place between such offeror and such investor including as to price, allocations and settlement arrangements. Neither the Issuer nor the Initial Guarantors will be a party to any such arrangements with investors (other than the Dealers) in connection with the offer or sale of the Notes and, accordingly, this Offering Circular and any Final Terms will not contain such information. The investor must look to the offeror at the time of such offer for the provision of such information.

Copies of Final Terms in respect of Notes which are listed on a stock exchange will be available from the registered office of the Issuer and the office of each of the Paying Agents (as defined below) specified at the end of this Offering Circular.

This Offering Circular is to be read in conjunction with any amendments or supplements hereto and with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

None of the Arrangers, the Dealers, the Trustee, the Agent, the Paying Agents, the Registrar or the Transfer Agents (each as defined below) has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made, nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by the Arrangers, the Dealers, the Trustee, the Agent, the Paying Agents, the Registrar or the Transfer Agent and no responsibility or liability is accepted by the Arrangers, the Dealers, the Trustee, the Agent, any Paying Agent, the Registrar or the Transfer Agent as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer or the Initial Guarantors in connection with the Programme. None of the Arrangers, the Dealers, the Trustee, the Agent, the Paying Agents, the Registrar or the Transfer Agents accept any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer or the Initial Guarantors in connection with the Programme. Advisers named in this Offering Circular have acted pursuant to the terms of their respective engagements and do not make, and should not be taken to have verified, any statement or information in this Offering Circular unless expressly stated otherwise.

No person is or has been authorised by the Issuer, the Initial Guarantors, any of the Dealers, the Arrangers, the Trustee, the Agent, the Paying Agents, the Registrar or the Transfer Agents to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied by the Issuer or any Guarantor in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Initial Guarantors, any of the Dealers, the Arrangers, the Trustee, the Agent, the Paying Agents, the Registrar or the Transfer Agents.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Initial Guarantors, any of the Dealers, the Arrangers, the Trustee, the Agent, the Paying Agents, the Registrar or the Transfer Agents that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. This Offering Circular does not take into account the objectives, financial situation or needs of any potential investor. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Initial Guarantors and/or any Notes, consult their own tax advisers concerning the application of any tax

laws applicable to their particular situation and determine for themselves the relevance of the information contained in this Offering Circular and must base their investment decision solely upon such independent assessment and investigation as they consider necessary. Each potential investor in Notes should:

- **have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;**
- **have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio;**
- **have sufficient financial resources and liquidity to bear all risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;**
- **understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and**
- **be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.**

The Notes are complex financial instruments. Sophisticated institutional investors do not generally purchase complex financial instruments as standalone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects of the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Initial Guarantors, any of the Dealers, the Arrangers, the Trustee, the Agent, the Paying Agents, the Registrar or the Transfer Agents to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular (or any part thereof) nor the offering, sale, delivery or registration of any Notes shall in any circumstances constitute a representation, or give rise to any implication, that there has been no change (adverse or otherwise) (or any development likely to lead to a change) in the prospects, results of operations or general affairs of the Issuer and/or the Initial Guarantors or that the information contained herein concerning the Issuer and/or the Initial Guarantors is correct or complete at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers, the Arrangers, the Trustee, the Agent, the Paying Agents, the Registrar and the Transfer Agents expressly do not undertake to review the financial condition or affairs of the Issuer or the Initial Guarantors during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, inter alia, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

There are restrictions on the offer and sale of the Notes in the UK. All applicable provisions of the Financial Services and Markets Act 2000 (the FSMA) with respect to anything done by any person in relation to the Notes in, from or otherwise involving the UK must be complied with, see "*Subscription and Sale*".

MIFID II PRODUCT GOVERNANCE TARGET MARKET — The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a distributor) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, MiFID II) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Notes about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (as amended) (the MiFID Product Governance Rules), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE TARGET MARKET — The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes

and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a distributor) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the UK MiFIR Product Governance Rules) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Notes about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PRIIPs / IMPORTANT — EEA RETAIL INVESTORS — If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of Directive (EU) 2016/97 (the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the Prospectus Regulation). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook (DISC) for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024 (as amended).

This Offering Circular has not been, and will not be, lodged with the Australian Securities and Investments Commission (ASIC) and is not, and does not purport to be, a document containing disclosure to investors for the purposes of Part 6D.2 or Part 7.9 of the Corporations Act. It is not intended to be used in connection with any offer for which such disclosure is required and does not contain all the information that would be required by those provisions if they applied. This Offering Circular and the Notes are not for distribution to any person in Australia who is a retail client for the purposes of section 761G of the Corporations Act. No target market determination has been or will be made for the purposes of Part 7.8A of the Corporations Act. This Offering Circular is not, and under no circumstances is to be construed as, an advertisement or public offering (except for the purposes of section 128F of the Australian Tax Act) of Notes in Australia. None of the Issuer or the Initial Guarantors is licensed to provide financial product advice in respect of the Notes or the Guarantee. Cooling-off rights do not apply to the acquisition of the Notes.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (as modified and amended from time to time) — Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Neither this Offering Circular nor any Final Terms constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Initial Guarantors, the Arrangers, the Dealers and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer, the Initial Guarantors, the Dealers, the Arrangers or the Trustee which is intended to permit a public offering of any Notes or possession or distribution of this Offering Circular, any prospectus, circular, advertisement or any other offering or other material issued by or on behalf of the Issuer in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this

Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area, the UK, Switzerland, Italy, Canada, Hong Kong, Japan, Korea, Singapore and Australia, see "*Subscription and Sale*". Recipients of this Offering Circular shall not reissue, circulate or distribute this Offering Circular or any part thereof in any manner whatsoever.

The Arrangers, the Dealers, the Trustee, the Agent, the Paying Agents, the Registrar and the Transfer Agents have received, or will or may receive, fees from the Issuer in connection with their participation in the Programme or any issue of Notes under the Programme and may hold interests in the Notes for their own account. In connection with the issue or distribution of any Tranche of Notes (other than the AMTNs or in circumstances where such action could reasonably be expected to affect the price of the Notes traded within Australia or on a financial market, as defined in the Corporations Act, operated within Australia), the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any Stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

The Notes are not guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction.

Unless otherwise expressly noted in this Offering Circular, any internet site addresses provided in this Offering Circular are for reference only and the content of any such internet site is not incorporated by reference into and does not form part of, this Offering Circular.

All references in this document to *U.S. dollars* and *U.S.$* refer to the lawful currency of the United States of America, all references to *Australian dollars* and *A$* refer to the lawful currency of the Commonwealth of Australia, all references to *Singapore dollars* and *S$* refer to the lawful currency of Singapore, all references to *yen* refer to the lawful currency of Japan, all references to *Hong Kong dollar* and *HKD* refer to the lawful currency of Hong Kong, all references to *Swiss francs* and *CHF* refer to the lawful currency of Switzerland, all references to *Sterling*, *GBP* and £ refer to the lawful currency of the United Kingdom and all references to *euro* and € refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

FORWARD LOOKING STATEMENTS

This Offering Circular contains forward-looking statements including, without limitation, words and expressions such as **expect**, **believe**, **plan**, **intend**, **estimate**, **project**, **anticipate**, **may**, **will**, **would**, **could** or similar words or statements, in particular, in the section entitled "*Description of the Issuer*" in this Offering Circular in relation to future events, the Issuer, the Initial Guarantors, the Issuer and its Subsidiaries (as defined in the section entitled "*Terms and Conditions of the Notes*") for the time being (the **Group**), the Group's prospects, its expected financial condition, its business strategies, the future developments of the Group's operations and industry and the future development of the general domestic, regional and global economy.

These statements are based on assumptions regarding the Group's present and future business strategy and the environment in which it expects to operate in the future. These matters and the Group's future results could differ materially from those expressed or implied by these forward-looking statements and although these forward-looking statements reflect its current view of future events, they are not a guarantee of future performance or other matters. In addition, the Group's future performance may be affected by various factors and risks including, without limitation, those discussed in the sections entitled "*Risk Factors*" and "*Description of the Issuer*".

Should one or more of these or other risks or uncertainties materialise, or should any underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. Prospective investors should therefore not place undue reliance on any of these forward-looking statements.

In this Offering Circular, statements of, or references to, intentions of the Issuer or the Initial Guarantors or those of any of the directors of any of them are made as at the date of this Offering Circular. Any such intentions may change in light of future developments.

Each of the Issuer, the Guarantors, the Arrangers and the Dealers expressly disclaims any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any such statement was based or any change in the intentions of the Issuer, the Initial Guarantors or any of their respective directors.

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to the Programme, each such offering, a **CMI Offering**, including certain Dealers, may be "capital market intermediaries" (**CMIs**) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the **SFC Code**). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" (**OCs**) for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantors, a CMI or its group companies would be considered under the SFC Code as having an association (**Association**) with the Issuer, the Guarantors, the CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantors or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Final Terms or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor

should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantors, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

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DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated by reference and is to be read and construed on the basis that such documents are so incorporated. The following documents which have previously been published or issued from time to time after the date hereof shall be incorporated in, and form part of, this Offering Circular:

(a) the most recently published audited consolidated annual financial statements of the Issuer;

(b) all supplements or amendments to this Offering Circular published by the Issuer from time to time; and

(c) all documents issued by the Issuer and specified in a supplement or amendment to this Offering Circular as being incorporated by reference in this Offering Circular,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Any published unaudited interim financial statements of the Issuer which are, from time to time, deemed to be incorporated by reference in this Offering Circular will not have been audited or subject to review by the auditors of the Issuer. Accordingly, there can be no assurance that, had an audit or review been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance upon them (see "*Risk Factors*").

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered office of the Issuer and in respect of Notes listed on the SGX-ST, from the principal office of the Agent in Singapore. The addresses of these offices are set out at the end of this Offering Circular. In addition, such documents will also be available on the Group's website, www.jemena.com.au. Copies of the documents listed under paragraph (a) above incorporated by reference in this Offering Circular are available on the website of the SGX-ST at www.sgx.com.

Except as provided above, no other information, including any information on the website of the Group or in any document incorporated by reference in any of the documents described above, is incorporated by reference. Investors should review, amongst other things, the documents incorporated by reference, before deciding to purchase Notes.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer, the Guarantors and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions of the Notes, in which event, in the case of listed Notes only and if appropriate, a supplemental Offering Circular will be published.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer:	SGSP (Australia) Assets Pty Limited (ABN 60 126 327 624)
Issuer Legal Entity Identifier (LEI):	254900BJJ12X7PJT5072
Guarantors:	Jemena Limited (ABN 95 052 167 405) Jemena Gas Pipelines Holdings Pty Ltd (ABN 72 127 203 650) Jemena Eastern Gas Pipeline (1) Pty Ltd (ABN 15 068 570 847) Jemena Eastern Gas Pipeline (2) Pty Ltd (ABN 77 006 919 115) Jemena Queensland Gas Pipeline (1) Pty Ltd (ABN 97 083 050 284) Jemena Queensland Gas Pipeline (2) Pty Ltd (ABN 70 083 050 104) (together, the **Initial Guarantors** and together, with any Subsidiary (as defined below) of the Issuer which is appointed from time to time, as an additional or replacement Guarantor in accordance with the terms of the Trust Deed (as defined below) and the Terms and Conditions of the Notes, but excluding any such Initial Guarantor or additional or replacement Guarantor which has been released from the Guarantee, the **Guarantors** and each a **Guarantor**). **Subsidiary** in relation to a company means a subsidiary of such company as defined in section 46 of the Corporations Act. See "*Guarantee*" below and Condition 3 (*Status of the Notes and the Guarantee*).
Description:	Medium Term Note Programme
Risk Factors:	There are certain factors that may affect the ability of the Issuer to fulfil its obligations under the Notes and the ability of the Guarantors' to fulfil their respective obligations under the Guarantee. These are set out under "*Risk Factors*" below and include changes in economic conditions, investment markets and legal and regulatory environments. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Notes. These are also set out under "Risk Factors" below and include the fact that Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Notes and market risks.
Arrangers:	HSBC Bank plc Mizuho Securities Asia Limited Westpac Banking Corporation (ABN 33 007 457 141)
Permanent Dealers:	HSBC Bank plc Mizuho Securities Asia Limited Westpac Banking Corporation (ABN 33 007 457 141)

	The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to **Permanent Dealers** are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to **Dealers** are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Offering Circular. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the UK, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Trustee:	Citicorp Investment Bank (Singapore) Limited
Registrar:	In the case of Notes other than AMTNs and Notes to be cleared through the CMU, Citibank, N.A., London Branch In the case of Notes other than AMTNs to be cleared through the CMU, Citicorp International Limited In the case of AMTNs, Citigroup Pty Limited
Agent:	Citibank, N.A., London Branch (in relation to the Notes, other than the Notes to be cleared through CDP or the CMU), Citicorp Investment Bank (Singapore) Limited (in relation to the Notes to be cleared through CDP) and Citicorp International Limited (in relation to the Notes to be cleared through the CMU)
Programme Size:	Up to U.S.$5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer and the Guarantors may increase the limit of the Programme in accordance with the terms of the Programme Agreement. The Programme Agreement provides for the U.S.$ equivalent of any Note denominated in another currency to be determined on or around the date agreement is reached to issue those Notes.
Method of Issue and Distribution:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each, a **Series**) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each, a **Tranche**) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the applicable Final Terms.
Currencies:	Notes may be denominated in euro, Sterling, U.S. dollars, Singapore dollars, yen, Swiss francs, Australian dollars and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer and specified in the applicable Final Terms.

Redenomination:	The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 5 (*Redenomination*).
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency. Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions — Notes having a maturity of less than one year*" above.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes other than the AMTNs will be issued in bearer form or registered form and the AMTNs will be issued in registered form only, each as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes or AMTNs and Bearer Notes will not be exchangeable for Registered Notes or AMTNs. AMTNs will not be exchangeable for Bearer Notes or Registered Notes.
Fixed Rate Notes:	Fixed Rate Notes will bear interest at a fixed rate per annum at the rate specified in the applicable Final Terms. Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined separately for each Series as follows: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions or the 2021 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; (c) in the case of AMTNs only, on the basis of the BBSW Rate or the AONIA Rate; or (d) on such other basis as may be agreed between the Issuer and the relevant Dealer (and indicated in the applicable Final Terms). The applicable method and the margin (if any) relating to such floating rate as may be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes will be specified in the applicable Final Terms.
Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as may be agreed by the Issuer and the relevant Dealer and specified in the applicable Final Terms.
Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:	Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.

	Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Final Terms.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be agreed by the Issuer and the relevant Dealer and specified in the applicable Final Terms.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of late payment (as specified in the applicable Final Terms).
Redemption:	The applicable Final Terms will specify either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer. The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are specified in the applicable Final Terms.
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Final Terms, save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (see "*Certain Restrictions — Notes having a maturity of less than one year*" above) and save that the minimum denomination of each Note: (a) admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area or in circumstances which require the publication of a prospectus under the Prospectus Regulation will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency); (b) offered to the public in the UK will be £50,000 (or, if the Notes are denominated in a currency other than GBP, the equivalent amount in such currency) in accordance with Paragraph 4 of Part 1 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; and (c) listed on the SGX-ST (but only for so long as it is so listed and the rules of the SGX-ST so require) will be S$200,000 (or its equivalent in another currency).
Taxation:	All payments by or on behalf of the Issuer or the Guarantors in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 9 (*Taxation*). In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantors will, save in certain limited circumstances provided in Condition 9 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 4 (*Negative Pledge*).
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 11 (*Events of Default and Enforcement*).

Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) at least equally with all other unsecured obligations of the Issuer, from time to time outstanding.
Guarantee:	The due payment of principal and interest (if any) in respect of any Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed is unconditionally guaranteed on a joint and several basis by the Guarantors pursuant to the terms of the Trust Deed. The Issuer shall ensure that at all times the Total Assets of the Guarantors (defined as noted below) are not less than 85% of the Total Group Assets. The Issuer may from time to time and in accordance with the terms of the Trust Deed, appoint, or procure to be appointed, any Subsidiary of the Issuer which is not a Guarantor as a Guarantor in order to satisfy these requirements. The Guarantors will not include Excluded Subsidiaries (as to which, see the section titled "Guarantors" in this Overview of the Programme and Condition 3 (*Status of the Notes and the Guarantee*)). Upon receipt by the Trustee of a certificate of two Directors of the Issuer that (a) a Subsidiary of the Issuer is to be released as a Guarantor (either immediately or at a particular time), and (b) the release of such Guarantor would not cause the Total Assets of the remaining Guarantors (defined as noted below) to be less than 85% of the Total Group Assets immediately after such release, such Guarantor shall immediately be released from such Guarantee. All Guarantors shall be deemed to be aware of and be bound by such provisions and any such release or permission. Remaining Guarantors after any release shall continue to be bound by the terms of the Guarantee notwithstanding any release of any other Guarantor. For the above purposes, the Total Assets of a Guarantor will be taken to include the assets of a subsidiary of a Guarantor that is an Excluded Subsidiary (see Condition 3 (*Status of the Notes and the Guarantee*) and the definitions of Total Assets and Excluded Subsidiaries). The obligations of the Guarantors under the Guarantee will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Guarantors and will rank *pari passu* amongst themselves and (save for certain obligations required to be preferred by law) at least equally with all other unsecured obligations of the Guarantors from time to time outstanding.
Rating:	Notes issued under the Programme may be rated or unrated. Where an issue of certain Series of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme (if any) and (where applicable) such rating (or expected rating, as the case may be) will be specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
Listing and admission to trading:	Application will be made to the SGX-ST to approve the listing and quotation of the Notes which are agreed at or prior to the date of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies). For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, a Paying Agent in Singapore will be appointed and maintained in the event that the Notes are issued in definitive form. In addition, in the event that any of the Global Notes are exchanged for definitive Notes, an

	announcement of such exchange will be made through the SGX-ST. Such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the Paying Agent in Singapore. The SGX-ST is not a regulated market for the purposes of MiFID II. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series and specified in the applicable Final Terms. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Governing Law:	The Notes (other than the AMTNs) and any non-contractual obligations arising out of or in connection with the Notes (other than non-contractual obligations arising out of or in connection with the AMTNs) will be governed by, and shall be construed in accordance with, English law. The AMTNs will be governed by, and construed in accordance with, the laws of New South Wales, Australia.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area, the UK, Switzerland, Italy, Canada, Hong Kong, Japan, Korea, Singapore and Australia and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*". Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulations or rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986 (the **U.S. Tax Code**)) (the **D Rules**) unless (i) the applicable Final Terms specify that the Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury regulations or rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Tax Code) (the **C Rules**) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), which circumstances will be referred to in the applicable Final Terms as a transaction to which TEFRA is not applicable.
No retail product distribution conduct:	This Offering Circular and the Notes are not for distribution to any person in Australia who is a retail client for the purposes of section 761G of the Corporations Act. No target market determination has been or will be made for the purposes of Part 7.8A of the Corporations Act.

RISK FACTORS

Each of the Issuer and the Initial Guarantors believes that the following factors may affect their ability to fulfil their obligations under Notes issued under the Programme which may in turn result in investors losing the value of their investment. Most of these factors are contingencies which may or may not occur and neither the Issuer nor the Initial Guarantors is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which the Issuer and Initial Guarantors believe to be material for the purpose of assessing the market risks associated with the Notes issued under the Programme are also described below.

Each of the Issuer and the Initial Guarantors believe that the factors described below represent the principal risks inherent in investing in the Notes issued under the Programme, but the inability of the Issuer or any of the Guarantors to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not have been considered significant risks by the Issuer and the Guarantors based on information currently available to them or which they may not currently anticipate. Prospective investors should note that the following factors may not represent all the risks that may be applicable to any additional Guarantor that is appointed under the Programme from time to time. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under the Notes and the Initial Guarantors' ability to fulfil their obligations under the Guarantee

Changes in regulatory environment

Electricity and gas markets are subject to extensive regulatory requirements in Australia. For example, some of the Issuer's businesses and its Subsidiaries (as defined in the section entitled "*Terms and Conditions of the Notes*") (together, **SGSPAA Group**) are subject to scrutiny by the independent national energy regulator, the Australian Energy Regulator (**AER**), as well as State based energy regulators, such as the Victorian Essential Services Commission. Over the past five years, Australia's energy sector has experienced a higher frequency and scope of regulatory change than the decade prior, driven primarily by decarbonisation, technological change, electrification, consumer protection reforms and system security requirements. Regulators and governments have acknowledged the need for ongoing reform to adapt legacy frameworks to the energy transition, suggesting that elevated regulatory change is likely to continue for the foreseeable future. As the regulatory environment continues to evolve, it is expected that new or amended laws and regulations are likely to be implemented and SGSPAA Group's operations will be subject to further regulatory reviews in areas relating to pricing, costs, safety, compliance and other matters.

Changes in government policy and amendments to the applicable regulatory regimes may require SGSPAA Group to meet new or amended regulatory requirements that may have a negative impact on SGSPAA Group's future revenues and/or result in additional costs.

SGSPAA Group's major gas transmission pipelines (the Queensland Gas Pipeline, the Eastern Gas Pipeline and the Darling Downs Gas Pipeline) are presently classified as non-scheme for the purposes of economic regulation and, as a consequence, are free to set their tariffs in a competitive market subject to safeguards requiring access to pipeline services on reasonable price and non-price terms. Non-scheme gas transmission pipelines are not presently subject to full economic regulation but operate under an arbitration regime for pricing and access disputes under the National Gas Law (**NGL**), where resolution of any access pricing disputes must be broadly based on a cost of service approach. Various other regulatory obligations relating to information disclosure and access negotiation apply under this framework. The Northern Gas Pipeline is a non-scheme pipeline, but the arbitration regime under the NGL does not apply for a period of 15 years (beginning 4 January 2019) or the time that the Northern Gas Pipeline becomes a scheme pipeline, whichever is sooner. Tariffs would be subject to economic regulation if the pipeline was classified as a scheme pipeline as provided in the NGL.

Changes in law which took effect in March 2023 provided the AER with new powers to initiate and undertake form of regulation reviews to determine whether a non-scheme pipeline should become subject to full economic regulation. In undertaking an assessment, the AER will consider, amongst other things, the extent of the market power of the pipeline and the effectiveness and costs of regulating the pipeline to constrain its market power. In February 2024, the AER initiated the first of such reviews (of the APA Group's South West Queensland Pipeline) with a final decision issued in December 2024 that the pipeline remain a non-scheme pipeline (and accordingly the pipeline remains not subject to economic regulation). The AER has stated that while it does not currently have a set programme of self-initiated reviews, it is monitoring pipeline operators to inform decisions about whether to self-initiate future reviews to ensure that the appropriate level of regulation is applied to pipelines to promote access.

The definition of gas in the NGL has changed to incorporate renewable gas (hydrogen, biomethane and synthetic methane). The reforms which will be required to change the broader regulatory environment are continuing to evolve. In November 2025, the NSW State government announced their Renewable Fuel Strategy, which included expanding its Renewable Fuel Scheme. The associated amendments to the Scheme, designed to stimulate a renewable gas market in NSW to support the decarbonisation of gas use, are, at this stage, expected to be legislated in 2026.

In 2026, the Australian Energy Market Commission will commence a review of electricity network regulation to support improved consumer outcomes. The intent of the review will be to support the cost-effective and efficient delivery of the network infrastructure and services required for the future net zero system.

There is a risk that an Australian State, Territory or Federal government and/or regulatory authority may repeal, amend, enact, or promulgate new laws, regulations, treaties, orders, codes or official directives, or existing laws, regulations, treaties, orders, codes or official directives may be subject to new interpretations, applications or be subject to penalties that could have adverse implications for SGSPAA Group.

Legislative and regulatory requirements from Foreign Investment Review Board (**FIRB**) and the Department of Home Affairs may impose stricter governance, controls and operational requirements as applicable to critical asset owners in Australia. These requirements can be imposed broadly through general legislation and regulations or through specific conditions of operation imposed by government authorities. Prospective investors should refer to the section "*Description of the Issuer — Industry — Operational regulation*".

All these factors could have a negative impact on SGSPAA Group's operations, profits and financial position.

Dependence on licences, approvals and permits

SGSPAA Group depends on the granting and retention of approvals, licences and permits for the conduct of its businesses, which include obligations to comply with various laws, conditions and regulations. Regulatory agencies and government authorities have the power to not grant, change the terms of or revoke any of SGSPAA Group's approvals, licences and permits. Should any of these approvals, licences or permits not be granted, be delayed or be revoked or amended, there could be a negative impact on SGSPAA Group's operations, profits and financial position.

Uncertainty over revenue and price resets

SGSPAA Group's operating results are heavily dependent on allowable revenues and price controls set by the AER in respect of SGSPAA's distribution assets. These reviews are undertaken, typically, on a five-year regulatory cycle. Any downward revisions in the distribution revenues that SGSPAA Group is entitled to earn may have an adverse effect on SGSPAA Group's financial condition. There is no certainty that SGSPAA Group will be able to recover through regulated revenues, the amount of capital or operating expenditure (**Capex** or **Opex**, as the case may be) required to operate the business.

The revenue requirements for distribution businesses are determined by the AER by reference to projected and historical Capex and projected Opex costs and expectations for the weighted average cost of capital allowance (**WACC**). The AER sets the framework and key parameters used to calculate the WACC through a binding rate of return guideline.

There can be significant cost and revenue fluctuations within a regulatory period as a result of changes in the costs of labour, equipment and capital inputs (including the costs of finance) which are beyond SGSPAA Group's control and difficult to predict with certainty. If the allowable revenue or regulated tariff levels are set too low, they will have adverse effects on SGSPAA Group's operating profit.

As long as SGSPAA Group's gas transmission pipelines remain classified as non-scheme, this risk does not apply to those gas transmission pipelines. The arbitration regime that applies to access disputes for gas transmission pipelines could result in lower prices as contracts expire and are re-negotiated.

Uncertainty in predicting customer demands & customer connections

SGSPAA Group's performance from its businesses is partially dependent on the volume of gas transported and electricity delivered through its assets. This volume is in turn affected by end user demands and is subject to a range of variables, including economic, geopolitical and social conditions, competition, population growth, availability of adequate supplies of gas or electricity, industry or other issues, government policy, alternative fuels, technologies or energy sources and the transition to a low carbon energy future. Economic recession, the energy market transition, changing demand trends and a reduction in the number of customers or connections may also have a direct impact on revenue. Similarly, usage is sensitive to weather patterns and periods of unseasonably warm winters, and cool summers may reduce energy consumption and have an impact on revenue. Usage may also be influenced by the availability of alternative decarbonisation pathways, such as renewable gases. Variation in usage demands may affect SGSPAA Group's revenue and operating income.

Operational Risks

Electricity and gas operations are subject to the risks and hazards typically associated with such operations, including fire, explosion and faults. These risks could result in significant damage, including to the environment, property and people. Gas supplied by shippers may be contaminated and negatively impact the quality of gas transmission and distribution services. If any of these risks occur, the SGSPAA Group could be responsible for remedying the damage which may have a negative impact on its reputation and financial position.

SGSPAA Group's business operations rely on a number of information and communication technology systems, artificial intelligence, applications and business processes deployed in the delivery of business functions within SGSPAA Group and third party service providers. SGSPAA Group's operating businesses depend on the continued operation of the relevant systems and network infrastructure for its critical functions. System interruptions, including those related to operations, replacement, upgrade or change of systems or caused by cyber security incidents, third party service providers, malfunction, technical, design or software fault, which may result in the unavailability of services could affect the relevant businesses' ability to deliver services and maintain efficient operations that in turn could have an adverse effect on its operations, profits and financial position. Such operational risks and hazards, including cyber security incidents, may continue to present risks to the business despite mitigation measures being undertaken.

Occupational health, and public safety (and associated hazards) are key risk areas in the construction, operation, maintenance and servicing of electricity and gas operations including gas processing activities.

SGSPAA Group is subject to health and safety regimes and is required to comply with legislation concerning the protection of the health and welfare of workers. SGSPAA Group's internal policy decisions on safety and the training provided to workers relating to accident prevention and awareness are aimed at minimising risks. However, the risks of accidents/long-term health impacts cannot be eliminated. In addition, actual or alleged violations arising under any health and safety laws may cause interruptions to SGSPAA Group's operations and adversely affect its reputation. Consequently, SGSPAA Group may receive worker claims for health and safety related issues from time to time. In addition, there is a risk that claims may be made by consumers or members of the general public as a result of the dangers associated with the industry, such as downed powerlines, broken gas mains or pipelines, oil spills, bushfires and other incidents that arise in the course of construction, operation and maintenance of infrastructure.

As the SGSPAA Group is subject to a range of energy and general compliance and regulatory obligations relating to its operations, it may incur compliance costs and any failure, non-compliance or lapses in its compliance may result in it being exposed to fines, penalties, damages, regulatory enforcement actions, loss of licence and criminal or civil sanctions. All of SGSPAA's businesses are subject to a range of changing technical regulations at Commonwealth, State and Territory levels.

Outsourcing Risk

SGSPAA Group outsources various business operations and relies on third parties in the supply chain for goods and services essential to its activities. Failure by these providers to meet contractual, regulatory or service obligations resulting from their own performance, changing conditions, circumstances beyond their control or any reason may result in increased costs, delays, or otherwise and have an adverse impact on SGSPAA Group's services, operations, profits and financial position.

Distribution Network Performance

SGSPAA Group's distribution businesses are subject to performance incentive schemes.

Electricity distribution businesses are subject to the Service Target Performance Incentive Scheme (**STPIS**), the Efficiency Benefit Sharing Scheme (**EBSS**), the Capital Efficiency Sharing Scheme (**CESS**), the F-Factor Scheme (**FFS**) and the Guaranteed Service Level (**GSL**) Scheme.

Gas distribution businesses are also subject to an EBSS and a CESS.

Under the STPIS, revenue is increased (or decreased) based on service reliability performance against AER established benchmarks.

The FFS provides incentives to reduce the number of fire starts caused by the distribution network. Targets under the scheme are set by the Victorian government.

The Victorian GSL payments scheme requires payments to be made directly to customers where the service received by those customers is not at a specified threshold. These thresholds are set by the Victorian Essential Services Commission (**ESC**).

The EBSS and CESS schemes reward (or penalise) distributors based on operating and capital expenditure performance relative to the AER's revenue determinations.

Poor performance against these incentive targets could have an adverse impact on SGSPAA Group's operations, profits and financial position.

Litigation Risks

Litigious claims made by or against SGSPAA Group can include but are not limited to, commercial claims, contractual claims, customer claims, public liability claims, native title claims, tenure disputes, environmental claims, occupational health and safety claims, employee claims, and regulatory disputes.

Unplanned outages, bushfires, natural disasters, sabotage, terrorist or cyber attacks

Due to the vast majority of power lines that SGSPAA Group owns or operates being above-ground, there is an inherent risk that power line faults or damage may result in or be connected to the instance of bushfires. Jemena Electricity Network's Hazardous Bushfire Risk Area measures an area of approximately 6km by 3km as defined by the Country Fire Authority. SGSPAA Group has liability insurance which provides cover for bushfire liability. SGSPAA Group reviews its insurance cover annually and seeks to ensure it is commensurate with the scale and size of its operations and the risks assessed to be associated with its operations and with industry standards and practice. Nevertheless, there is a risk that SGSPAA Group's insurance coverage may not fully protect it against all liabilities sustained in connection with bushfires.

SGSPAA Group's assets and systems are vulnerable to human error in operation, equipment failure, malfunction, technical, design or software fault and natural disasters (such as bushfires and earthquakes). Although constructed, operated and maintained to mitigate those risks, SGSPAA Group's facilities and assets may be adversely impacted in certain circumstances.

As a result of global climate changes, extreme weather events (for example, wind, floods, tidal storm surges, heatwaves and dust-storms) of increasing intensity and frequency are predicted. Extreme weather events may negatively affect SGSPAA Group's energy infrastructure assets in the form of infrastructure damage and network outages. The occurrence of any of these events may negatively affect SGSPAA Group's assets and third party power generators or gas suppliers in a manner that may disrupt the supply of electricity or gas and thereby have an adverse effect on SGSPAA Group's reputation, operations, profits and financial position.

Sabotage of and terrorist acts on (whether physically, by cyber attack or otherwise) SGSPAA Group's assets and systems, could negatively affect its ability to provide the necessary services or result in damage of a third party's property to which the transmission or distribution network is connected. This could adversely affect supplies and SGSPAA Group's ability to service its customers. Repairs to correct any damage to network assets could be costly and time-consuming and may result in substantial lost revenues during the period of such repairs. In addition, any service interruption or physical damage may cause loss or damage to customers who may seek to recover damages from SGSPAA Group, resulting in harm to its business reputation and operational results.

Climate Change Policy and Energy Market Transition

The Australian energy industry is undergoing a transition to a low carbon future to provide customers with access to safe, reliable and sustainable energy. Part of this transition includes a reduction in carbon emissions and the ongoing development of Australian State, Territory and Federal climate change policies and implementation plans.

The Australian Government's Electricity and Energy Sector Plan and Net Zero Plan are intended to support the Government's 2035 emission reduction target of 62-70% by 2035. The plans set out a pathway to 2050 characterised by major shifts in Australia's energy system towards energy efficiency, electrifying and fuel switching as well as scaling clean energy supply.

In 2025, the NSW Government released its Renewable Fuels Strategy which included expanding its Renewable Fuel Scheme to biomethane, setting a renewable gas target of 15% by 2035 for NSW industrial gas users and $170 million to support relevant infrastructure and initiatives.

Other policies to reduce emissions include the Federal Safeguard Mechanism Rule changes that came into effect on 1 July 2023 that provide penalties and incentives for assets emitting more than a prescribed amount of carbon dioxide equivalent (CO_2-e) per year, and the Australian Capital Territory Government's decision to phase out the use of fossil fuels by 2045 including the electrification of natural gas uses.

Mandatory climate-related financial disclosures came into effect January 2025 through the Corporations Act and related legislation. SGSPAA, as a Group 1 entity for the year ending December 2025 prepared a financial sustainability report that is integrated with SGSPAA's Annual Report and contains disclosures that are prepared in accordance with the Corporations Act, including Australian Sustainability Reporting Standards, specifically AASB S2 Climate-related Disclosures.

The pace of the Australian energy transition, technology advancement and varying government policies and measures designed to achieve jurisdiction specific emission reduction targets and differences on how and when these could be implemented, may lead to increased uncertainty and varying levels of customer energy demand in certain segments or markets, which in turn may have a negative impact on SGSPAA Group's operations, profits and financial position.

Environmental Risks

SGSPAA Group is subject to an environmental regime applying to the sites and facilities of its operations and is required to comply with legislative and licence obligations concerning the protection of the environment, including biodiversity, the use of natural resources (e.g. water), protection of areas of heritage and cultural heritage significance, release of air emissions and wastewater, and the generation, storage, handling, transportation, treatment and disposal of hazardous chemicals and waste materials. In the ordinary course of business, SGSPAA Group's operations are subject to internal environmental policy and management procedures, environmental inspections and monitoring by governmental enforcement authorities. Costs may be

incurred for both the remediation and monitoring of sites (both current and historical) and management of environmental risks which may result in exposure to fines, damages and civil or criminal sanctions. SGSPAA Group may also experience interruptions in operations for actual or alleged violations arising under any environmental law.

Various materials and substances that are hazardous or environmentally sensitive such as oil, odorant, polychlorinated biphenyls, polyaromatic hydrocarbons, greenhouse gases and asbestos have been used or contained in the facilities and sites involved in SGSPAA Group's current and historical businesses. Construction and/or maintenance may be necessary in heritage, cultural heritage or environmentally sensitive locations where particular care is required to avoid damage.

Rehabilitation of pipeline easements following construction or weather-related events may require erosion and vegetation management and weed control. While most environmental incidents are minor, some oil or slurry spills occasionally escape containment and contaminate ground or surface water, possibly leading to expensive clean-up and remediation of affected areas, fines and damage to SGSPAA Group's reputation.

Land Tenure

The SGSPAA Group's assets are primarily constructed and operated on land over which it has easements, leases or other land tenure. These land tenure rights are also supported by legislative rights to install and maintain gas and electricity assets on third party land. If the SGSPAA Group lost its land tenure rights, the SGSPAA Group's business could be adversely affected.

The SGSPAA Group's gas assets are exposed to gas market risks

The relative price of gas, climate action and the competitive position in comparison to other energy sources may change demand levels for the SGSPAA Group's gas products and services. The SGSPAA Group cannot predict the future competitive position of gas and could experience adverse effects to its operations, profits and financial position.

The availability of, and the continued demand for, gas is essential for the ongoing use of gas infrastructure. The availability of competitively priced reserves is dependent on (amongst other things) government regulation and policies and the success of gas exploration and production companies, factors which are outside the SGSPAA Group's control. Any unforeseen shortage in the availability of gas (either as a result of gas reserve depletion, the unwillingness or inability of gas production companies to produce gas, the export of gas, competing markets or otherwise) and the location of gas relative to the SGSPAA Group's gas infrastructure may adversely affect the SGSPAA Group's financial position. Additionally, if there is lack of demand for gas (including renewable gas) or the products and services provided by the SGSPAA Group, its financial position may also be adversely affected.

The successful completion of SGSPAA's various construction projects could be affected by delays and other unanticipated issues

The construction of infrastructure is subject to potential risks. For example, difficulties in obtaining any requisite approvals, complexity in construction and commissioning, defects in materials procured by the SGSPAA Group or extreme weather events could adversely affect the project, increase the cost of the project or delay or prevent the completion of the project or the commencement of its commercial operation. The SGSPAA Group may face higher than expected construction costs and delays. The SGSPAA Group's contracts may contain restricted remedies or limitations on liability such that any such sums claimed, or amounts paid may be insufficient to cover the financial impact of any breach of contract. The ability of contractors to meet their financial or other liabilities cannot be assured. The commencement of commercial operation of such infrastructure may also give rise to start-up problems, such as the breakdown or failure of equipment or processes.

The SGSPAA Group's failure to recognise, plan for and manage the extent of the impact of the construction project could result in the project overrunning budget, operational disruptions, safety and security performance deficiencies and higher than expected operating costs. Any of these could affect its day-to-day operations and have an adverse effect on the SGSPAA Group's business, financial condition and results of operations.

Risks associated with Zinfra's operating environment

In addition to being exposed to the risks facing the SGSPAA Group of companies as a whole, Zinfra (defined in "*Description of the Issuer*") operates in a competitive market which is subject to change in market and operational conditions. Potential changes in conditions include adverse regulatory determinations for customers, the potential for new and competitive market entrants, increased input cost pressures, changes in the levels of activity, cyclicality and volatility in the key markets in which Zinfra operates and the potential for industrial disruption and default by sub-contractors performing work on Zinfra's behalf. Such conditions could have an adverse effect on Zinfra's operations, profits, financial position and ability to complete existing contracts and secure future contracts.

Dependence on significant customers

Some of SGSPAA Group's businesses are dependent on winning and maintaining significant relationships and contracts with a number of large energy retailers, network service providers, producers and industrial customers. There can be no assurance that

the SGSPAA Group can continue to win major contracts with new customers or that existing major contracts will be continued or be renewed on their current terms and conditions. If new major customers do not materialise or existing customers cease their contracts or renew their contracts at less favourable terms, and SGSPAA Group is unable to obtain substitute contracts with new customers on comparable terms, there may be an adverse effect on SGSPAA Group's operations, profits and financial position.

Insurance Risks

The insurance coverage SGSPAA Group maintains may be inadequate to cover all insurable liabilities and losses. In particular, while SGSPAA Group believes that its insurance policies are appropriate and adequate to protect against major operating and other risks, not all risks are insurable or insured. Due to changeable insurance market conditions, SGSPAA Group cannot be certain that adequate insurance cover for all potential liabilities and losses will be available in the future on commercially viable terms. SGSPAA Group may also elect to self-insure and/or carry larger deductibles. In the event SGSPAA Group experiences a loss in the future, the proceeds of an applicable insurance policy may not be adequate to cover the actual loss incurred or liabilities to third parties. Uncovered losses may have a negative impact on SGSPAA Group's operating profit and financial position.

Retirement Benefits

SGSPAA Group participates in two defined benefit superannuation funds that are funded via investments in equities, bonds and other external assets and the liabilities for which reflect the latest salary levels. The values of such assets are dependent on, among other things, the performance of the equity and debt markets, which can be volatile. Any shortfall in the funding obligations would require additional funding from the employing entities, which may be significant.

Disruptive industrial relations actions

SGSPAA Group has a significant portion of its workforce unionised that could expose it to labour activism and unrest, particularly when industrial agreements expire and are renegotiated. Labour activism and unrest could disrupt operations and adversely affect the SGSPAA Group's financial condition and operating results. While SGSPAA Group has a constructive relationship with its employees and their representatives, in the 12 months preceding the date of this Offering Circular it has experienced minimal industrial action, none of which has had any material financial impact. SGSPAA Group has mitigation strategies to minimise any potential disruption. Despite this, there can be no assurance that future strikes and other labour activism will not have a material adverse effect on SGSPAA Group's operations, profits and financial position.

Loss of employees and skills re-training

It is important for SGSPAA Group's continued success that it attracts, develops, retains and engages the right employees. A limited supply of skilled workers within the industry could lead to an increase in labour costs and adverse operational impact. When new workers are hired, it may take a considerable period of training and time before they are equipped with the requisite skills to work effectively and safely on some of the inherently dangerous tasks associated with gas and electricity assets.

SGSPAA Group continually develops appropriate in-house training programmes to sustain ongoing skills development as well as investing in systems. However, a failure to retain employees without appropriate replacement and to attract the right skills for SGSPAA Group's businesses could have an adverse impact on its operations.

Reliance on the Guarantee

The Notes are guaranteed pursuant to the Guarantee and the Issuer has minimal assets other than its investments in the Guarantors. If any or all of the Guarantors' financial condition deteriorates, it is possible that the Issuer may not have the resources or liquidity to pay the amounts required under the Notes and the Guarantors, individually or collectively, may not have the financial resources or liquidity to pay the amounts required under the Guarantee. Consequently, investors in the Notes may suffer direct and materially adverse consequences.

Potential investors should be aware that the subsidiaries of SGSPAA Group forming the Guarantor group may change in accordance with the Trust Deed and Subsidiaries may be added as Guarantors to ensure that Condition 3 of the Notes is complied with. Guarantors may also be released where such release will not cause a breach of Condition 3 of the Notes.

Ranking of claims

The Notes are unsecured obligations of the Issuer and the guarantees of the Notes are unsecured obligations of the Guarantors.

Although the terms and conditions of the Notes restrict the Issuer and the Guarantors granting security to secure other capital markets indebtedness, they do not restrict the Issuer or Guarantors granting security to secure other obligations. To the extent such security was granted, the obligations secured thereby would rank ahead of the Notes and guarantees provided by the Guarantors.

Relationship with Shareholders

The Issuer is 60% owned by State Grid International Development Australia Investment Company Limited (**SGIDAIC**) and 40% owned by Singapore Power International Pte Ltd (**SPI**).

SGIDAIC is a wholly owned subsidiary of State Grid International Development Limited (**SGID**). SGID is a wholly owned subsidiary of State Grid Corporation of China (**SGCC**) and a platform for undertaking the overseas investment and operations of SGCC and implementing SGCC's international business strategy.

SPI is a wholly owned subsidiary (and the investment holding company) of Singapore Power Limited (**SP Group**), a leading energy utility company in the Asia Pacific region.

For further information regarding the Issuer's shareholders see the "*Description of the Issuer*" section below.

SGIDAIC and SPI regularly review and seek to optimise their portfolio assets relating to SGSPAA Group. Changes to these portfolio assets, including acquisitions or divestments of assets by SGSPAA Group, would only be made in accordance with the terms of their respective financing facilities and the Programme.

Whilst SGID and SPI both have a demonstrable track record in their industries and in their roles as shareholders, their investment in the SGSPAA Group represents the first time they have collaborated as shareholders in the same company. Accordingly, there can be no assurance that both SGID and SPI will continue to remain aligned on the business goals, interests and objectives of SGSPAA Group. This may have an impact on SGSPAA Group's ongoing financial conditions or operations.

SGID and SPI have however put in place agreements, business practices and policies to manage their interests in SGSPAA Group and their relationship as shareholders.

The outbreak, or threatened outbreak, of any severe communicable disease could materially and adversely affect the Issuer's business, financial condition and results of operations

The SGSPAA Group's businesses are subject to general economic and social conditions. The outbreak, or threatened outbreak, of any severe communicable disease could materially and adversely affect overall business sentiment and environment.

The spread of any severe communicable disease in Australia may also affect the operations of customers and suppliers, which could materially and adversely affect SGSPAA Group's business, financial condition and results of operations.

Capital Structure

SGSPAA's capital structure comprises a total of A$4 billion of ordinary shares, in addition to external funding.

Notwithstanding that there is no subordinated debt owing under the terms of the subordination deed poll (**Subordination Deed Poll**) dated 4 September 2015 executed by SGIDAIC and SPI and the Issuer (**Subordinated Debt**), the Trust Deed nonetheless contains provisions requiring the Issuer to ensure at all times, for as long as any Notes are outstanding, that the Subordinated Debt (if any) is subordinated on terms specified in the Trust Deed (**Required Subordination Terms**) or on such other terms that are no less favourable to the Noteholders than those terms in any respect the Trustee considers material (and, in respect of determining whether any such terms are no less favourable to Noteholders in a material respect, the Trustee shall be entitled to seek and rely upon instructions from the Noteholders by an Extraordinary Resolution (as defined in the Trust Deed) or the advice or opinion of or any information (whether addressed to the Trustee or not) obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert whether obtained by the Issuer, any Guarantor, the Trustee or otherwise and shall not be responsible for any Liability (as defined in the Trust Deed) occasioned by so acting).

As of the date of this Offering Circular, the Issuer's obligations to ensure the Subordinated Debt (if any) is subordinated to the Noteholders are treated as having been satisfied by the Issuer and each of SGIDAIC and SPI having executed a nomination certificate dated 4 September 2015 pursuant to which the Trustee has been made a 'Beneficiary' pursuant to the terms of the Subordination Deed Poll.

See Condition 3.4 and the Trust Deed and the terms and conditions of the Subordination Deed Poll for further information.

ASIC Cross Guarantee

The Issuer, the Initial Guarantors and certain other Subsidiaries have obtained the benefit of regulatory relief from the obligation to lodge individual accounts available under the ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission (**ASIC**). To do so, ASIC required the Issuer, the Initial Guarantors and other relevant Subsidiaries to execute a deed of cross guarantee (the **Cross Guarantee**). The Cross Guarantee obliges each cross-guarantor to guarantee, for the benefit of creditors, payment in full of any debt owed by another cross-guarantor in the event of a winding-up of such cross-guarantor. As such, by entering into the Cross Guarantee, the Initial Guarantors would be liable as

guarantors of the Subordinated Debt (if any) in the event of the winding-up of the Issuer. The Required Subordination Terms and Subordination Deed Poll do not prohibit the Initial Guarantors or any other Subsidiaries entering into the Cross Guarantee.

Notwithstanding that there is currently no Subordinated Debt, the Required Subordination Terms and Subordination Deed Poll require SGIDAIC and SPI not to make any claims under such guarantee without the Trustee's consent and to either repay to the Issuer or hold on trust for the Trustee (together with other senior creditors of the Issuer on a pro rata basis) any amount received by it under the guarantee (up to the amount of the Notes).

Asset Valuation Risk

SGSPAA Group assesses the carrying value of its non-financial assets in accordance with Australian Accounting Standards where the recoverable amount of assets is the higher of fair value less cost of disposal or value in use. The assessment of recoverable amount is based on estimates and judgments including future cashflows and revenue streams for Cash Generating Units (as described in Note 18 of the Issuer's financial statements for the period ended 31 December 2025).

Cashflows are discounted using a discount rate that reflects current market assessments of the time value of money and risks specific to the assets. Any changes to assumptions in cashflows, revenue streams, or discount rates may have an adverse impact on asset values and profit.

A Cash Generating Units impairment assessment was carried out as at 31 December 2025 and no impairment loss was recognised for the financial period ended 31 December 2025. For further information see Note 18 of the Issuer's financial statements for the period ended 31 December 2025.

Dependency on successful execution of new developments and expansions

Integrating and developing new expansions, developments and commercial opportunities with partners into the SGSPAA Group's business could prove unsuccessful due to a variety of unexpected problems, including unanticipated costs, failing to obtain necessary approvals, failing to retain key employees or assets. The SGSPAA Group's failure to identify prudent commercial opportunities or the unsuccessful integration of acquired, developed or expanded assets could prevent the SGSPAA Group from obtaining anticipated synergies, operating advantages and cost savings, thereby harming the SGSPAA Group's operations, profits and financial position. The SGSPAA Group may also fail to consider the appropriate risks and potential costs associated with certain acquired or developed assets that are not part of the SGSPAA Group's traditional infrastructure business. In addition, regulators may prevent or limit the SGSPAA Group's ability to acquire, develop or expand certain assets.

Whilst the SGSPAA Group regularly works to expand key existing assets, such expansions could be impeded or halted entirely by a range of factors. Any delays to or termination of ongoing or planned expansions could have an adverse effect on the SGSPAA Group's operations, profits and financial position.

Risks relating to Strategic Equity Investments

SGSPAA Group is reliant upon the returns it receives from its strategic equity investments. These returns are subject to many variables, including the capital structure, credit rating, operating performance and distribution policies of these investments. Changes to the capital structure, credit rating, operating performance and distribution policies of these investments could have an adverse effect on SGSPAA Group's operations, profits and financial position.

Credit Risk

Credit risk results from the risk of default of internal or external counter-parties. In the case where SGSPAA Group transacts derivative financial instruments, it will be exposed to the risk of non-performance of contractual agreements on the part of the counter-party. While this credit risk is mitigated by entering into such contracts with parties of high credit standing, SGSPAA Group is unable to predict whether these parties will default on their obligations.

Currency fluctuations

SGSPAA Group is subject to currency fluctuations both in terms of its purchase, supply and installation contracts and borrowings that are denominated in a currency other than Australian dollars. Whilst SGSPAA Group has a foreign exchange hedging policy in place, in periods of significant currency volatilities, SGSPAA Group's operating profit and financial position that have not been hedged may be adversely affected.

Movements in interest rates

SGSPAA Group finances its activities and operations through a combination of borrowings (which may bear interest at floating or fixed rates) and cash from operations. Whilst SGSPAA Group has a hedging policy in place, changes in interest rates will affect borrowings which bear unhedged interest at floating rates. Any increase in interest rates will affect SGSPAA Group's costs of servicing these borrowings which may adversely affect its profit and financial position.

Liquidity Risk

SGSPAA Group uses committed credit lines with banks to cover liquidity needs. In this context, it depends on the willingness of banks to provide credit lines. Changes in the banking sector may impact the willingness of banks to continue to provide credit lines to SGSPAA Group.

In addition to bank credit facilities, SGSPAA Group intends to finance its activities and operations from time to time by the issuance of debt, including in the capital markets. Therefore, SGSPAA Group is dependent on broad access to these capital markets and investors. Changes in demand for debt instruments in capital markets could limit SGSPAA Group's ability to fund its activities and operations.

As SGSPAA Group will be refinancing part of the maturing amounts with fresh loans, it will be dependent on banks and other credit providers to provide credit lines to SGSPAA Group.

Changes in Accounting Standards

Changes in accounting standards and their interpretation may impact a SGSPAA Group entity's income statement and financial position.

Credit Ratings

The Issuer has an investment grade credit rating of A3 (stable) by Moody's Investor Services Limited.

The Initial Guarantors are not currently rated by ratings agencies.

Credit ratings are subject to revision, suspension or withdrawal at any time by the assigning rating agency. Ratings agencies may also revise or replace entirely the methodology applied to derive credit ratings. No assurances can be given that a credit rating will remain for any period of time or that a credit rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant or if a different methodology is applied to derive that credit rating including scoring associated to Environmental Social and Governance considerations adopted by these rating agencies.

Any downgrade could affect SGSPAA Group's ability to obtain financing or increase SGSPAA Group's financing costs and could have an adverse effect on the price of the Notes.

Risks in funding future capital needs

SGSPAA Group requires funds to meet its Capex, Opex for growth and maintenance of its assets and refinancing needs. SGSPAA Group may have difficulty in raising such funds.

SGSPAA Group's funding requirements may be met by way of additional debt financing. The terms of such debt financing may include restrictions which may:

(i) increase its vulnerability to general adverse economic and industry conditions;

(ii) limit its ability to pursue its plans;

(iii) require it to dedicate a substantial portion of its cash flow from operations to payments on its debt, thereby reducing the availability of its cash flow to fund Capex and/or Opex, working capital requirements and other general corporate purposes; and/or

(iv) limit its flexibility in planning for, or reacting to, changes in its businesses and its industry.

Risks associated with taxation

SGSPAA Group has made assumptions and taken positions in relation to its exposure, including for example to income tax, stamp duty and goods and services tax. In the event that the actual outcomes are different from the assumptions and positions adopted or they are not accepted by the relevant tax authorities, there may be an adverse impact on SGSPAA Group's financial position.

Any adverse development due either to changes in tax legislation or interpretation or otherwise, could also have an adverse impact on SGSPAA Group's financial position.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected;

(iv) they may lose all or a substantial portion of their principal;

(v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and

(vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of their Notes could result in such investor losing all of their investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes may have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" (including interbank offered rates (**IBORs**) and the Sterling Overnight Index Average (**SONIA**) and the Australia Bank Bill Swap (**BBSW**) rate) have been, and in some cases, continue to be the subject of national and international regulatory guidance and reform aimed at supporting the transition to robust benchmarks. Most reforms have now reached their planned conclusion (including the transition away from the London Inter-bank Offered Rate), and "benchmarks" remain subject to ongoing monitoring. These reforms generally may have caused, and may in the future cause, benchmarks to perform differently than in the past, or to cease to be available, and may have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

In Australia, the Treasury Laws Amendment (2017 Measures No. 5) Act 2018 of Australia amended the Corporations Act, to, among other things, establish a licensing regime for administrators of significant financial benchmarks (including BBSW) and enable ASIC to make rules relating to the generation and administration of such benchmark indices. On 6 June 2018 ASIC issued the ASIC Financial Benchmark (Administration) Rules 2018 (the **Administration Rules**) and the ASIC Financial Benchmark (Compelled) Rules 2018 (the **Compelled Rules**) pursuant to this power. The Administration Rules require, among other things, a person who is licensed to administer a regulated benchmark (a benchmark administrator licensee) to: (i) use a method for generating that benchmark that is designed to ensure the quality, integrity, availability, reliability and credibility of that benchmark; (ii) to act efficiently, honestly and fairly in generating and administering that benchmark; and (iii) to ensure that arrangements with persons who contribute data to the generation of benchmarks (contributors) meet certain criteria for these purposes. The Compelled Rules, among other things, allow ASIC to require a benchmark administrator licensee to continue to generate or administer a regulated benchmark and to require contributors to continue to provide data required for the generation of the relevant benchmark. Although the Compelled Rules and a number of the other Australian reforms have been designed to support the reliability and robustness of BBSW, it is not possible to predict with certainty whether, and to what extent, BBSW will continue to be supported or the extent to which related regulations, rules, practices or methodologies may be amended going forward. This may cause BBSW to perform differently than it has in the past, and may have other consequences which cannot be predicted. For example, it is possible that these changes could cause BBSW to cease to exist, to become commercially or practically unworkable, or to become more or less volatile or liquid. Any such changes could have a material adverse effect on the Notes.

In Europe, the Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (a) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (b) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the Financial Conduct Authority (**FCA**) or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed). On 19 May 2025, Regulation (EU) 2025/914 of the European Parliament and of the Council amending the EU Benchmarks Regulation (the **EU BMR Amendment**) was published in the Official Journal of the EU and apply from 1 January 2026. The amendments introduced by the EU BMR Amendment include the reduction of scope of application of the EU Benchmarks Regulation, excluding non-significant benchmarks.

These reforms (including the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable) could have a material impact on any Notes linked to or referencing a relevant benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements imposed thereunder, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms or the general increased regulatory scrutiny of benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any regulations or requirements.

The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

It is not possible to predict with certainty whether, and to what extent, EURIBOR, BBSW or any other benchmark will continue to be supported going forwards. This may cause EURIBOR, BBSW or any other such benchmark to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the discontinuation of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The Terms and Conditions provide for certain fallback arrangements in the event that the Reference Rate (as defined in the Terms and Conditions) and/or any page on which the Reference Rate may be published (or any other successor service) becomes unavailable or a Benchmark Event (as defined in the Terms and Conditions) otherwise occurs. Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Reference Rate (both as defined in the Terms and Conditions), with or without the application of an Adjustment Spread (as defined in the Terms and Conditions) and may include amendments to the Terms and Conditions to ensure the proper operation of the successor or replacement benchmark, all as determined by the Independent Adviser (as defined in the Terms and Conditions) or the Issuer (subject to receipt by the Trustee and the Agent of a certificate signed by two authorised signatories of the Issuer and acting in good faith and in a commercially reasonable manner). An adjustment spread, if applied could be positive or negative and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the Reference Rate. However, it may not be possible to determine or apply an adjustment spread and even if an adjustment is applied, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment spread can be determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the Rate of Interest. The use of a Successor Rate or Alternative Reference Rate (including with the application of an adjustment spread) will still result in any Notes linked to or referencing the Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Reference Rate is determined, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page (as defined in the Terms and Conditions). Due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value or liquidity of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under such Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation, the UK Benchmarks Regulation or any international or national reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or Potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 16 (*Meetings of Noteholders; Modification; Waiver; Substitution; Indemnification of Trustee*).

U.S. Dividend Equivalent Withholding

Under Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended (the **U.S. Tax Code**), "dividend equivalent" payments under certain financial instruments are treated as U.S. source dividends. Such payments, including deemed payments, generally would be subject to a 30 per cent. (or lower treaty rate) U.S. withholding tax. If the Issuer or any withholding agent determines that withholding is required under Section 871(m) of the U.S. Tax Code, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Prospective investors should refer to the section "*Taxation — U.S. Dividend Equivalent Withholding*".

The U.S. Foreign Account Tax Compliance Act, commonly known as FATCA, imposes a 30% U.S. withholding tax currently on certain U.S. source payments, including, among other things, interest and dividends (and dividend equivalent payments as determined under Section 871(m) of the U.S. Tax Code). If the Issuer or any withholding agent determines that withholding is required under FATCA, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Prospective investors should refer to the section "*Taxation — Foreign Account Tax Compliance Act*".

Change of law

The Terms and Conditions of the Notes are based on English law or, as the case may be, Australian law, in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or, as the case may be, NSW or Australian law, or administrative practice after the date of this Offering Circular.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination (as described in the applicable Final Terms) plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Trustee's actions

In certain circumstances (including the giving of notice to the Issuer and the Guarantors pursuant to Condition 11 (*Events of Default*)), the Trustee may (at its sole discretion) request the Noteholders to provide an indemnity and/or security to its satisfaction before it takes actions on behalf of the Noteholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured to its satisfaction. Even if the Noteholders agree to indemnify and/or provide security to the Trustee, the time taken to agree the indemnity and/or security may impact on when such actions are taken.

The Trustee may decline to take action requested by the Noteholders, notwithstanding the provision of an indemnity or security to it, where it is not satisfied that the action is permitted by the terms of the Trust Deed or applicable law.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Furthermore, any Notes that are listed on an exchange may be de-listed. De-listing the Notes may have a material adverse effect on a Noteholder's ability to resell the Notes in the secondary market.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantors will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation or issued by a credit rating agency established in a third country but whose credit ratings are endorsed by a credit ratings agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified credit rating agencies published by ESMA on its website (at https://www.esma.europa.eu/supervision/credit-rating-

agencies/risk) in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

The Notes may be de-listed, which may materially affect an investor's ability to resell

Application has been made for the listing and quotation on the SGX-ST for any Notes to be issued under the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such approval will be granted when such Notes (to the extent agreed to be so listed) are admitted to the Official List. Application may also be made for Notes issued under the Programme to be listed on any other listing authority, stock exchange or quotation system as specified in the relevant Final Terms.

Notes quoted and/or traded on the SGX-ST and/or listing authority, stock exchange or quotation system may be de-listed. No assurance can be given that once listed, quoted and/or traded on the SGX-ST and/or any other applicable listing authority, stock exchange or quotation system the Notes will at all times remain listed on that stock or securities exchange and it may not be possible to list the Notes on any stock or securities exchange. Although no assurance is made as to the liquidity of the Notes as a result of listing on the SGX-ST or any other listing authority, stock exchange or quotation system, de-listing the Notes may have a material adverse effect on a Noteholder's ability to resell the Notes in the secondary market.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Risks relating to unaudited, unreviewed interim financial statements deemed incorporated by reference

Any published unaudited, unreviewed interim financial statements of the Issuer (whether prepared on a consolidated or a non-consolidated basis) which are, from time to time, deemed to be incorporated by reference in this Offering Circular will not have been audited or subject to a review by the auditors of the Issuer. Accordingly, there can be no assurance that, had an audit or a review been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance on them.

Risks relating to Singapore Taxation

Any Tranche of Notes to be issued from time to time under the Programme during the period from the date of this Offering Circular to 31 December 2028 may be "qualifying debt securities" for the purposes of the Income Tax Act 1947 of Singapore subject to the fulfilment of certain conditions more particularly described in the section "*Taxation — Singapore Taxation*".

However, there is no assurance that such Tranche of Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

FORM OF THE NOTES

The Notes (other than the AMTNs) of each Series will be issued in either bearer form, with or without interest coupons and talons for further coupons if appropriate attached, or registered form, without interest coupons attached, in each case as specified in the applicable Final Terms. The AMTNs will be issued in registered, uncertificated (inscribed) form only.

Bearer Notes

The following applies to Notes specified in the applicable Final Terms to be in bearer form.

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note**) which, in either case, will be delivered on or prior to the original issue date of the Tranche to The Central Depository (Pte) Limited (**CDP**), the Hong Kong Monetary Authority as operator of the Central Moneymarkets Unit Service (**CMU**) or a common depositary (the **Common Depositary**) for, Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**).

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Bearer Note Exchange Date (as defined below) will be made only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury Regulations, has been received by CDP, the CMU or Euroclear and/or Clearstream, Luxembourg, as applicable, and CDP, the CMU or Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent (as defined below).

On and after the date (the **Bearer Note Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) in whole or in part upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) for Bearer Notes in definitive form of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Bearer Note Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for Bearer Notes in definitive form is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made to CDP, the CMU or Euroclear and/or Clearstream, Luxembourg, as applicable, against presentation or surrender (as the case may be) of the Permanent Global Note without any requirement for certification.

Holders of beneficial ownership interests must look solely to their nominee and/or applicable clearing system to receive such payment and none of the Issuer, the Guarantors, the Trustee, the Agent or any Paying Agent, will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in Global Bearer Notes or for maintaining, supervising or reviewing any records relating to such interests.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for Bearer Notes in definitive form with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 11 (*Events of Default and Enforcement*)) has occurred and is continuing, (ii) if the Permanent Global Note is held on behalf of Euroclear and/or Clearstream, Luxembourg and the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor or alternative clearing system is available or, if the Permanent Global Note is held through the CMU, the CMU has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and, in any case, no successor or alternative clearing system is available, (iii) if the Permanent Global Note is held by or on behalf of CDP and (1) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (2) CDP has announced an intention permanently to cease business or has in fact done so and, in any case, no successor or alternative clearing system is available or (3) CDP has notified the Issuer that it is unable or unwilling both to act as depository for the Notes and to continue performing its duties set out in the Master Depository Services Agreement dated 28 October 2011, as amended, varied or supplemented from time to time (the **Master Depository Services Agreement**) and no alternative clearing system is available or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream, Luxembourg (as applicable, and in any case acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event described in (iv) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all global and definitive Bearer Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

> "ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE".

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Transfer of Interests

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of CDP, the CMU, Euroclear or Clearstream, Luxembourg, as the case may be.

Direct Rights in respect of Bearer Global Notes cleared through CDP

If any Event of Default as provided in the Conditions has occurred and is continuing, the Trustee may state in a notice given to the Agent and the Issuer (the **default notice**) that an Event of Default has occurred and is continuing.

Following the giving of the default notice, the holder of the Notes represented by the Bearer Global Note cleared through CDP may (subject as provided below) elect that direct rights (**Direct Rights**) under the provisions of the Deed of Covenant (as defined in the Conditions) shall come into effect in respect of a nominal amount of Notes up to the aggregate nominal amount in respect of which such default notice has been given. Such election shall be made by notice to the Agent and presentation of the Bearer Global Note to or to the order of the Agent for reduction of the nominal amount of Notes represented by the Bearer Global Note by such amount as may be stated in such notice and by endorsement of the appropriate schedule to the Bearer Global Note of the nominal amount of Notes in respect of which Direct Rights have arisen under the Deed of Covenant. Upon each such notice being given, the Bearer Global Note shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Bearer Note Exchange Date unless the holder elects in such notice that the exchange for such Notes shall no longer take place.

If any holder acquires Direct Rights against the Issuer under the provisions of the Deed of Covenant and the nominal amount of the Bearer Global Note and the Notes represented by the Bearer Global Note is not at the same time otherwise reduced under the provisions of the Bearer Global Note by the nominal amount of Notes in respect of which Direct Rights have been acquired, the Bearer Global Note shall automatically become void to the extent of the nominal amount held by such holder. The Issuer shall notify in writing, CDP, whereupon CDP, having been so notified by the Issuer, shall notify the Agent of the automatic acquisition of Direct Rights against the Issuer, and present the Bearer Global Note to or to the order of the Agent to record the reduction of the nominal amount of Notes represented by the Bearer Global Note by such amount as may be stated in such notice and by endorsement of the appropriate schedule to the Bearer Global Note of the nominal amount of Notes in respect of which Direct Rights have been so acquired under the Deed of Covenant. For the avoidance of doubt, if CDP has not been notified by the Issuer of such automatic acquisition of Direct Rights by the holder, CDP shall have no obligations to notify the Agent or to present the Bearer Global Note as aforementioned.

Registered Notes

The following applies to Notes (other than AMTNs) which are specified in the applicable Final Terms to be in registered form (**Registered Notes**).

The Registered Notes of each Tranche offered and sold in reliance on Regulation S under the Securities Act (**Regulation S**), which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a **Global Registered Note**). Prior to expiry of the distribution compliance period (as defined in Regulation S), if any, applicable to each Tranche of Notes, beneficial interests in a Global Registered Note may not be offered or sold to, or for the account or benefit of, a U.S. person and may not be held otherwise than through CDP, Euroclear, Clearstream, Luxembourg or the CMU and such Global Registered Note will bear a legend regarding such restrictions on transfer.

Global Registered Notes will be deposited with CDP, and registered in the name of CDP or its nominee, or lodged with the CMU or deposited with a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Global Registered Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Registered Notes in definitive form.

Payments of principal, interest or any other amount in respect of the Registered Notes in global form will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.4 (*Payments in respect of Registered Notes*)) as the registered holder of the Global Registered Notes. Holders of beneficial ownership interests must look

solely to their nominee and/or applicable clearing system to receive such payment and none of the Issuer, the Guarantors, the Trustee, the Agent, any Paying Agent, any Transfer Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Registered Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.4 (*Payments in respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Global Registered Note will be exchangeable (free of charge), in whole but not in part, for Registered Notes in definitive form without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) if the Global Registered Note is held in Euroclear and/or Clearstream, Luxembourg and the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any case, no successor or alternative clearing system is available or, in the case of Notes held through the CMU, the Issuer has been notified that the CMU has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and, in any case, no successor or alternative clearing system satisfactory to the Trustee is available, (iii) if the Global Registered Note is deposited with CDP and (1) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (2) CDP has announced an intention permanently to cease business or has in fact done so and, in any case, no successor or alternative clearing system is available or (3) CDP has notified the Issuer that it is unable or unwilling both to act as depository for the Notes and to continue performing its duties set out in the master depository services agreement dated 2 June 2010, as supplemented by a supplemental master depository services agreement dated on or about 28 October 2011, made between the Issuer and CDP (as modified and/or supplemented and/or restated from time to time) and no alternative clearing system is available or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Notes in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream, Luxembourg (as applicable, and in any case acting on the instructions of any holder of an interest in such Global Registered Note) and/or in the case of Notes held through the CMU, the relevant account holders therein, may give notice to the Registrar or the CMU Registrar, as the case may be, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv), the Issuer may also give notice to the Registrar or, as the case may be, the CMU Registrar, requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar or, as the case may be, the CMU Registrar (the last date for such exchange, the **Registered Note Exchange Date**).

Transfer of Interests

Interests in a Global Registered Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Registered Note in respect of the same Series. No beneficial owner of an interest in a Global Registered Note will be able to transfer such interest, except in accordance with the applicable procedures of CDP, Euroclear, Clearstream, Luxembourg and the CMU, in each case, to the extent applicable.

Direct Rights in respect of Global Registered Notes cleared through CDP

If any Event of Default as provided in the Conditions has occurred and is continuing, the Trustee may state in a default notice given to the Agent and the Issuer (the **default notice**) that an Event of Default has occurred and is continuing.

Following the giving of the default notice, the holder of the Notes represented by the Global Registered Note cleared through CDP may (subject as provided below) elect that direct rights (**Direct Rights**) under the provisions of the Deed of Covenant shall come into effect in respect of a nominal amount of Notes up to the aggregate nominal amount in respect of which such default notice has been given. Such election shall be made by notice to the Agent and presentation of the Global Registered Note to or to the order of the Agent for reduction of the nominal amount of Notes represented by the Global Registered Note by such amount as may be stated in such notice and by entry by or on behalf of the Registrar in the Register of the nominal amount of Notes in respect of which Direct Rights have arisen under the Deed of Covenant. Upon each such notice being given, the Global Registered Note shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Registered Note Exchange Date unless the holder elects in such notice that the exchange for such Notes shall no longer take place.

If any holder acquires Direct Rights against the Issuer under the provisions of the Deed of Covenant and the nominal amount of Notes is not at the same time otherwise reduced under the provisions of the Global Registered Note by the nominal amount of Notes in respect of which Direct Rights have been acquired, the Global Registered Note shall automatically become void to the extent of the nominal amount held by such holder. The Issuer shall notify in writing, CDP, whereupon CDP, having been so notified by the Issuer, shall notify the Agent of the automatic acquisition of Direct Rights against the Issuer, and present the Global Registered

Note to or to the order of the Agent to record the reduction of the nominal amount of Notes represented by the Global Registered Note by such amount as may be stated in such notice and by entry by or on behalf of the Registrar in the Register of the nominal amount of Notes in respect of which Direct Rights have been so acquired under the Deed of Covenant. For the avoidance of doubt, if CDP has not been notified by the Issuer of such automatic acquisition of Direct Rights by the holder, CDP shall have no obligations to notify the Agent or to present the Global Registered Note as aforementioned.

AMTNs

Austraclear

On issue of any AMTNs, the Issuer may, as specified in the applicable Final Terms, procure that the AMTNs are entered into the clearance and settlement system (**Austraclear System**) operated by Austraclear Ltd (ABN 94 002 060 773) (**Austraclear**). On entry, Austraclear will become the sole registered Noteholder and legal owner of the AMTNs. Subject to the rules and regulations known as the **Austraclear Regulations** established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System, together with any directions or instructions, participants of the Austraclear System (**Accountholders**) may acquire rights against Austraclear in relation to those AMTNs as beneficial owners and Austraclear is required to deal with the AMTNs in accordance with the directions and instructions of the Accountholders. Any potential investors who are not Accountholders would need to hold their interest in the relevant AMTNs through a nominee who is an Accountholder. All payments by the Issuer in respect of AMTNs entered in the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear Regulations.

CDP

On issue of any AMTNs, the Issuer may, if specified in the applicable Final Terms, procure that the AMTNs are cleared or settled through the computerised system operated by CDP (**CDP System**). Upon the entry of CDP or its nominee or agent in the Australian Register (as defined in the Terms and Conditions of the Notes) as the holder of AMTNs in the specified amounts, CDP or its nominee or agent will become the sole registered Noteholder and legal owner of such AMTNs. All payments by the Issuer in respect of AMTNs cleared or settled through the CDP System will be made to CDP. The crediting of the AMTNs to the securities accounts maintained with CDP (**Securities Accounts**), the electronic transfers, within the CDP System, of interests in the AMTNs between Securities Accounts and the payments to be made to the depositors who hold Securities Accounts with CDP, will be subject to the terms and conditions for the operation of the Securities Accounts and any other terms and conditions issued thereunder (**CDP Terms and Conditions**).

Holding of AMTNs through Euroclear and Clearstream, Luxembourg

On entry in the Austraclear System, interests in the AMTNs may be held through Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in the AMTNs in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear, while entitlements in respect of holdings of interests in the AMTNs in Clearstream, Luxembourg would be held in the Austraclear System by BNP Paribas, Australia Branch as nominee of Clearstream, Luxembourg.

The rights of a holder of interests in AMTNs held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations of Euroclear and Clearstream, Luxembourg, the arrangements between Euroclear and Clearstream, Luxembourg and their respective nominees and the Austraclear Regulations.

Transfers

Any transfer of AMTNs will be subject to the Corporations Act and the other requirements set out in the Terms and Conditions of the AMTNs and, where the Notes are entered in the Austraclear System, the Austraclear Regulations, or cleared and settled through the CDP System, the CDP Terms and Conditions, as the case may be. Secondary market sales of AMTNs settled in the Austraclear System will be settled in accordance with the Austraclear Regulations or, if settled through the CDP System, will be settled in accordance with the CDP Terms.

Relationship of Accountholders with Austraclear

Accountholders who acquire an interest in AMTNs entered in the Austraclear System must look solely to Austraclear for their rights in relation to such Notes and will have no claim directly against the Issuer in respect of such Notes although under the Austraclear Regulations, Austraclear may direct the Issuer to make payments direct to the relevant Accountholders.

Where Austraclear is registered as the Noteholder of any AMTNs that are lodged in the Austraclear System, Austraclear may, where specified in the Austraclear Regulations, transfer the AMTNs to the person in whose Security Record (as defined in the Austraclear Regulations) those AMTNs are recorded and, as a consequence, remove those AMTNs from the Austraclear System.

Potential investors in AMTNs should inform themselves of, and satisfy themselves with, the Austraclear Regulations and (where applicable) the rules of Euroclear and Clearstream, Luxembourg and the arrangements between them and their nominees in the Austraclear System.

Relationship of Depositors with CDP

If any of the following events occurs with respect to AMTNs cleared or settled through the CDP System:

(a) the Trustee has given notice that an Event of Default as provided in the Terms and Conditions of the Notes has occurred and is continuing;

(b) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise);

(c) CDP has announced an intention to permanently cease business or has in fact done so and, in any case, no successor or alternative clearing system is available; or

(d) CDP has notified the Issuer that it is unable or unwilling to act as depository for such AMTNs, and to continue performing its duties set out in the Master Depository Services Agreement and no alternative clearing system is available,

any person whose Securities Account is credited with such AMTNs (**Depositor**) shall be entitled to (i) require the Issuer to provide to such Depositor the transfer form relating to the transfer of such AMTNs which are credited to such Securities Account, from CDP to such Depositor, and (ii) require CDP to execute such transfer form as transferor; and the Issuer shall notify CDP of the registration of such transfer.

Except following a transfer into their name of the relevant AMTNs as described above, Depositors will have no claim directly against the Issuer in respect of such Notes.

Potential investors in AMTNs should inform themselves of, and satisfy themselves with, the CDP Terms and Conditions and the arrangements between them and their nominees in the CDP System.

Trustee's powers

The Trustee may call for any certificate or other document to be issued by a clearing system as to the principal amount of Notes held in such clearing system or by a nominee for such clearing system standing to the account of any person. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by such clearing system and subsequently found to be forged or not authentic. In considering the interests of Noteholders in respect any AMTNs that are entered into the Austraclear System and/or cleared and settled through the CDP system, the Trustee may have regard to any such information provided to it by Austraclear and/or CDP as to the identity (either individually or by category) of its Accountholders and/or Depositors with entitlements to such Note and may consider such interests as if such Accountholders and/or Depositors were the holders of such Note.

CMU

The CMU is a central depositary service provided by the Central Moneymarkets Unit of the Hong Kong Monetary Authority for the safe custody and electronic trading between the members of this service (**CMU Members**) of money markets and capital markets instruments (together, **CMU Instruments**) which are specified in the CMU Manual (as defined in the Conditions) as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to all financial institutions regulated by the Hong Kong Monetary Authority, Securities and Futures Commission, Insurance Authority or Mandatory Provident Fund Schemes Authority. For further details on the full range of the CMU's custodial services, please refer to the CMU Manual.

The CMU has an income distribution service which is a service offered by the CMU to facilitate the distribution of interest, coupon or redemption proceeds by CMU Members who are paying agents to the legal title holders of CMU Instruments via the CMU system. Furthermore, the CMU has a corporate action platform which allows an issuer (or its agent) to make an announcement/notification of a corporate action and noteholders to submit the relevant certification. For further details, please refer to the CMU Manual.

An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Agent or, as the case may be, the CMU Lodging and Paying Agent, shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and International Securities Identification Number (**ISIN**) and, where applicable, a CMU instrument number, which are different from the common code, ISIN and CMU instrument number assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to CDP and/or Euroclear and/or Clearstream, Luxembourg and/or Austraclear and/or the CMU shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Agent and the Trustee.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or any Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** — Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** — Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, **UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS — The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook (**DISC**) for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024 (as amended).]

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore - In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the CMP Regulations 2018), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

NO RETAIL PRODUCT DISTRIBUTION CONDUCT – This document and the Notes are not for distribution to any person in Australia who is a retail client for the purposes of section 761G of the Corporations Act. No target market determination has been or will be made for the purposes of Part 7.8A of the Corporations Act.

[Date]

SGSP (AUSTRALIA) ASSETS PTY LIMITED
(ABN 60 126 327 624)
Legal Entity Identifier (LEI): 254900BJJ12X7PJT5072

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Unconditionally guaranteed by
[Jemena Limited (ABN 95 052 167 405),
Jemena Gas Pipelines Holdings Pty Ltd (ABN 72 127 203 650)
Jemena Eastern Gas Pipeline (1) Pty Ltd (ABN 15 068 570 847),
Jemena Eastern Gas Pipeline (2) Pty Ltd (ABN 77 006 919 115),
Jemena Queensland Gas Pipeline (1) Pty Ltd (ABN 97 083 050 284) and
Jemena Queensland Gas Pipeline (2) Pty Ltd (ABN 70 083 050 104)]
under the U.S.$5,000,000,000
Medium Term Note Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Conditions**) set forth in the Offering Circular dated 12 June 2026 [and the supplemental Offering Circular dated [*date*]] ([together,] the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Offering Circular. The full information that has been provided on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date:*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Conditions**) set forth in the Offering Circular dated [*original date*] [and the supplemental Offering Circular dated [*date*]] ([together,] the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Offering Circular, save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto.]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.*]

[*If the Notes have a maturity of less than one year from the date of their issue and the proceeds of issue are received in the United Kingdom, the minimum denomination must be £100,000 or its equivalent in any other currency.*]

[*The following language applies if a particular tranche of Notes are "Qualifying Debt Securities" for the purpose of the Income Tax Act 1947 of Singapore:*

Where interest, discount income, early redemption fee or redemption premium is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore (the **Income Tax Act**) shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.]

1.	(a)	Issuer:	SGSP (Australia) Assets Pty Limited (ABN 60 126 327 624)
	(b)	Guarantors:	[Jemena Limited (ABN 95 052 167 405) Jemena Gas Pipelines Holdings Pty Ltd (ABN 72 127 203 650) Jemena Eastern Gas Pipeline (1) Pty Ltd (ABN 15 068 570 847) Jemena Eastern Gas Pipeline (2) Pty Ltd (ABN 77 006 919 115) Jemena Queensland Gas Pipeline (1) Pty Ltd (ABN 97 083 050 284) Jemena Queensland Gas Pipeline (2) Pty Ltd (ABN 70 083 050 104)]

[*Insert names of any Additional Guarantors and delete names of released Guarantors*]

2.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ] (*If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*)
	(c)	AMTNs:	[Yes/No]
3.		Specified Currency or Currencies:	[ ]
4.		Aggregate Nominal Amount:	
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
5.	[(a)]	Issue Price:	[ ]% of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
	[(b)]	Net Proceeds:	[ ] (*include for listed issues if required by the relevant stock exchange on which the Notes are listed.*)
6.	(a)	Specified Denominations:	[ ] *(Note — where multiple denominations above [€100,000/A$500,000/S$200,000] or equivalent are being used the following sample wording should be followed:* *"[€100,000/A$500,000/S$200,000] and integral multiples of [€1,000/A$10,000/S$50,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]".)* *(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Regulation the [€100,000] minimum denomination is not required.)* (In the case of Registered Notes or AMTNs, this means the minimum integral amount in which transfers can be made.)
	(b)	Calculation Amount:	[ ] (*If only one Specified Denomination, insert the Specified Denomination.* *If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] (*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*)
	(c)	Trade Date:	[ ]

8.		Maturity Date:	[*Fixed rate — specify date*/*Floating rate* — Interest Payment Date falling in or nearest to [*specify month*]]
9.		Interest Basis:	[[ ]% Fixed Rate] [[specify reference rate] +/- [ ]% Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [*specify other*] (further particulars specified below)
10.		Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]
11.		Change of Interest Basis or Redemption/Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*]
12.		Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13.	(a)	Status of the Notes:	[Senior]
	(b)	Status of the Guarantee:	[Senior]
14.		Listing:	[SGX-ST/Other (*specify*)/None]
15.		Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

[*In the case of Instalment Notes and Partly Paid Notes consider whether it is necessary to modify the interest calculation provisions]*

16.	Fixed Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate(s) of Interest:	[ ]% per annum [payable [annually/semi-annually/quarterly/other (*specify*)] in arrear] (*If payable other than annually, consider amending Condition 6.1 (Interest on Fixed Rate Notes)*)
	(b)	Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date]/[*specify other*][, subject to adjustment in accordance with the Business Day Convention specified in (f) below] (*N.B. This will need to be amended in the case of long or short coupons*)
	(c)	Fixed Coupon Amount(s): (*Applicable to Notes in definitive form or AMTNs.*)	[ ] per Calculation Amount
	(d)	Broken Amount(s): (*Applicable to Notes in definitive form or AMTNs.*)	[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]
	(e)	Day Count Fraction:	[30/360 or Actual/Actual (ICMA) or RBA Bond Basis or Australian Bond Basis or [*specify other*]]

(f)	Business Day Convention:	[Following Business Day Convention / Modified Following Business Day Convention /[*specify other*]]
(g)	[Determination Date(s):	[ ] in each year (*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)* *N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration* *N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
(h)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
17.	Floating Rate Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
(b)	Business Day Convention:	[Floating Rate Convention [*N.B. for use with Specified Periods only*]/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]]
(c)	Additional Business Centre(s):	[ ]
(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/Benchmark Rate Determination/*specify other*]
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[ ]
(f)	ISDA Determination:	
(i)	[ISDA Definitions:]	[2006 ISDA Definitions]/[2021 ISDA Definitions]
(ii)	Floating Rate Option:	[ ]
(iii)	Designated Maturity:	[ ]
(iv)	Reset Date:	[ ]
(g)	Screen Rate Determination:	
(i)	Reference Rate:	[ ] / [Compounded Daily SONIA / Compounded Daily SOFR]
(ii)	Interest Determination Date(s):	[ ] / [The day falling the number of London Banking Days included in the below SONIA Observation Look-Back Period prior to the day on which the relevant Interest Accrual Period ends (but which by its definition is excluded from the Interest Accrual Period)/The day falling the number of U.S. Government Securities Business Days included in the below SOFR Observation Shift Period prior to the day on which the relevant Interest Period ends (but which by its definition is excluded from the Interest Period)]
(iii)	Relevant Screen Page:	[ ] (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
(iv)	[SONIA Observation Method:]	[Not Applicable/Lag/Shift]

(*Only include for Floating Rate Notes for which the Reference Rate is specified as being "Compounded Daily SONIA"*)

	(v)	[SONIA Observation Look-Back Period:]	[5/[ ] [London Banking Day[s]]/[Not Applicable] *(NB When setting the SONIA Observation Look-Back Period, the practicalities of this period should be discussed with the Principal Paying Agent or the Calculation Agent, as applicable. It is anticipated that '(p)' will be no fewer than 5 London Banking Days unless otherwise agreed with the Principal Paying Agent or the Calculation Agent, as applicable.)* *(Only applicable where the Reference Rate is Compounded Daily SONIA)*
	(vi)	[SOFR Observation Shift Period:]	[ ] [U.S. Government Securities Business Days] *(Only applicable where the Reference Rate is Compounded Daily SOFR)*
	(vi)	[Index Determination:]	[Applicable / Not Applicable]
	(vii)	[Relevant Time:]	[ ]
(h)		Benchmark Rate Determination (AMTNs only):	[[BBSW Rate Determination / AONIA Rate Determination] applies /Not Applicable]
(i)		[Linear Interpolation:	Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(i)		Margin(s):	[+/-] [ ]% per annum
(j)		Minimum Rate of Interest:	[ ]% per annum
(k)		Maximum Rate of Interest:	[ ]% per annum
(l)		Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA) *Other*]
(m)		Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[ ]
18.		Zero Coupon Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)		Accrual Yield:	[ ]% per annum
(b)		Reference Price:	[ ]
(c)		Any other formula/basis of determining amount payable:	[ ]
(d)		Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 8.5 (*Early Redemption Amounts*) and 8.10 (*Late payment on Zero Coupon Notes*) apply/*specify other*]

(*Consider applicable day count fraction if not U.S. dollar denominated*)

19. Index Linked Interest Note Provisions: [Applicable/Not Applicable]
(*If not applicable, delete the remaining subparagraphs of this paragraph*)

(a) Index/Formula: [*give or annex details*]

(b) Calculation Agent: [*give name*]

(c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [ ]

(d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [*need to include a description of market disruption or settlement disruption events and adjustment provisions*]

(e) Specified Period(s)/Specified Interest Payment Dates: [ ]

(f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]

(g) Additional Business Centre(s): [ ]

(h) Minimum Rate of Interest: [ ]% per annum

(i) Maximum Rate of Interest: [ ]% per annum

(j) Day Count Fraction: [ ]

20. Dual Currency Interest Note Provisions: [Applicable/Not Applicable]
(*If not applicable, delete the remaining subparagraphs of this paragraph*)

(a) Rate of Exchange/method of calculating Rate of Exchange: [*give or annex details*]

(b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [ ]

(c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [*need to include a description of market disruption or settlement disruption events and adjustment provisions*]

(d) Person at whose option Specified Currency(ies) is/are payable: [ ]

PROVISIONS RELATING TO REDEMPTION

[*In the case of Instalment Notes and Partly Paid Notes consider whether it is necessary to modify the Early Redemption Amount calculation*]

21. Issuer Call: [Applicable/Not Applicable]
(*If not applicable, delete the remaining subparagraphs of this paragraph*)

(a) Optional Redemption Date(s): [ ]

(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/*specify other*/see Appendix]
(c)	If redeemable in part:	
	(i) Minimum Redemption Amount:	[ ]
	(ii) Maximum Redemption Amount:	[ ]
(d)	Notice period (if other than as set out in the Conditions):	[ ] (*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee*)
22. Investor Put:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Optional Redemption Date(s):	[ ]
(b)	Optional Redemption Amount And method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/*specify other*/see Appendix]
(c)	Notice period (if other than as set out in the Conditions):	[ ] (*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee*)
23. Final Redemption Amount:		[[ ] per Calculation Amount/*specify other*/see Appendix]
24. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 8.5 (*Redemption and Purchase — Early Redemption Amounts*)):		[[ ] per Calculation Amount/*specify other*/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	[Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event] [Bearer Notes: Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Bearer Notes: Permanent Global Note exchangeable for Definitive Notes only upon an Exchange Event] [Registered Notes: Global Registered Note ([ ]) nominal amount [exchangeable for Registered Notes in definitive form]] [Registered notes: AMTNs] *(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]". Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*
26.	Additional Financial Centre(s) or other special provisions relating to Payment Days:	[Not Applicable/*give details*] [For the avoidance of doubt, "Payment Day" for these Notes means any day which (subject to Condition 10 (*Prescription*) is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in: (i) the relevant place of presentation; (ii) Melbourne and Sydney; and (iii) [ ].] (*Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 17(c) and 19(g) relate*)
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
29.	Details relating to Instalment Notes:	
	(a) Instalment Amount(s):	[Not Applicable/*give details*]
	(b) Instalment Date(s):	[Not Applicable/*give details*]
30.	Redenomination applicable:	Redenomination [not] applicable [*(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))*]

31.	Other final terms:	[Not Applicable/*give details*]
32.	Ratings for the Notes:	[Not Applicable/*give details*] *Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act 2001 (Cth) and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive the relevant document and anyone who receives the relevant document must not distribute it to any person who is not entitled to receive it.*
33.	Place for Notices:	[In Australia, the [*give details of newspaper publication*]/In Singapore, the [*give details of newspaper publication*]/*specify others*]

DISTRIBUTION

34.	(a)	If syndicated, names of Managers:	[Not Applicable/*give name*s]
	(b)	Stabilising Manager(s) (if any):	[Not Applicable/*give name*] [*N.B. Not permitted for AMTNs*]
35.		If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
36.		U.S. Selling Restrictions:	[Reg. S Compliance Category; TEFRA D/TEFRA C/TEFRA not applicable]
37.		Additional selling restrictions:	[Not Applicable/*give details*]
38.		Prohibition of Sales to EEA Retail Investors:	[Applicable[1]/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified*.)
39.		Prohibition of Sales to UK Retail Investors:	[Applicable[1]/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified*.)
40.		Singapore Sales to Institutional Investors and Accredited Investors only:	[Applicable/Not Applicable]
41.		United States Federal Income Tax Considerations:	[[The Notes may constitute Specified Notes (as defined below) for purposes of Section 871(m) of the U.S Internal Revenue Code of 1986.] [Additional information regarding the application of Section 871(m) to the Notes will be available from [●].] (*The Notes will not be Specified Notes if they (i) are issued prior to 1 January 2027 and are not "delta-one" for U.S. tax purposes or (ii) do not reference, directly or indirectly, any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Notes reference, directly or indirectly, a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities and (i) are issued prior to 1 January 2027 and provide a return that does not differ significantly from the return on an investment in the underlying,*

or (ii) are issued on or after 1 January 2027, further analysis would be required.)

HONG KONG SFC CODE OF CONDUCT

42. Rebates:	[A rebate of [●] bps is being offered by the [Issuer] to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.] / [Not Applicable] [1] [2]
43. Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	[*Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – OCs to provide*] / [Not Applicable]
44. Marketing and Investor Targeting Strategy:	[*as indicated in the Offering Circular*] OR [*describe if different from the programme OC*]

OPERATIONAL INFORMATION

(i)	ISIN Code:	[ ]
(ii)	Common Code:	[ ]
(iii)	CFI:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (**ANNA**) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(iv)	FISN	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (**ANNA**) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(v)	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Austraclear System / Central Moneymarkets Unit Service, CMU Instrument Number [ ] / Not Applicable/*give name(s) and number(s)*]
(vi)	Delivery:	Delivery [against/free of] payment
(vii)	Name and address of Registrar (in the case of Registered Notes and AMTNs only):	[ ]
(viii)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(ix)	Name and address of Transfer Agent (if any):	[ ]
(x)	Name and address of Calculation Agent (if any):	[ ]

[1] If paragraph 21 of the SFC Code applies to this issuance, the parties should consider preparing and circulating the Preliminary Final Terms to investors prior to pricing or including the same in a BBG announcement to investors.

[2] Language to be finalised at the time of issuance.

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on [Singapore Exchange Securities Trading Limited][*or specify other relevant regulated market*] of the Notes described herein pursuant to the U.S.$5,000,000,000 Medium Term Note Programme of SGSP (Australia) Assets Pty Limited.

RESPONSIBILITY

The Issuer and the Guarantors accept responsibility for the information contained in these Final Terms.

Signed on behalf of SGSP (Australia) Assets Pty Limited:

By: _____
Duly authorised

Signed on behalf of [Jemena Limited]:

By: _____
Duly authorised

Signed on behalf of Jemena Gas Pipelines Holdings Pty Ltd

By: _____
Duly authorised

Signed on behalf of [Jemena Eastern Gas Pipeline (1) Pty Ltd]:

By: _____
Duly authorised

Signed on behalf of [Jemena Eastern Gas Pipeline (2) Pty Ltd]:

By: _____
Duly authorised

Signed on behalf of [Jemena Queensland Gas Pipeline (1) Pty Ltd]:

By: _____
Duly authorised

Signed on behalf of [Jemena Queensland Gas Pipeline (2) Pty Ltd]:

By: _____
Duly authorised

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below), each Definitive Bearer Note (as defined below), each registered uncertificated (or inscribed) AMTN (as defined below) and each Definitive Registered Note (as defined below), but in the case of Definitive Bearer Notes and Definitive Registered Notes, only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Bearer Note or Definitive Registered Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and Definitive Bearer Note or Definitive Registered Note and, in the case of an AMTN, a copy of the Final Terms will be kept with the Register (defined below) in respect of the Tranche of which such AMTN forms part. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by SGSP (Australia) Assets Pty Limited (the **Issuer**):

(a) (if not an AMTN (as defined below)) constituted by an amended and restated Trust Deed dated 31 July 2025 (such Trust Deed as amended, modified and/or supplemented and/or restated from time to time, the **Trust Deed**) made between the Issuer, Jemena Limited, Jemena Gas Pipelines Holdings Pty Limited, Jemena Eastern Gas Pipeline (1) Pty Ltd, Jemena Eastern Gas Pipeline (2) Pty Ltd, Jemena Queensland Gas Pipeline (1) Pty Ltd and Jemena Queensland Gas Pipeline (2) Pty Ltd (as guarantors (together, the **Initial Guarantors** and each an **Initial Guarantor**) under the Trust Deed) and Citicorp Investment Bank (Singapore) Limited (the **Trustee**, which expression shall be construed in accordance with the Trust Deed) as trustee for the Noteholders (as defined below); and

(b) (if an AMTN (as defined below)) constituted by a Deed Poll dated 4 April 2023 (such Deed Poll as amended, modified and/or supplemented and/or restated from time to time, the **Australian Deed Poll**) made by the Issuer in favour of the Trustee and the holders of the AMTNs. The particular provisions of these Conditions relating to Global Notes, Bearer Notes, Registered Notes (unless otherwise specifically noted or the context requires), Coupons (as defined below) and Talons (as defined below) do not apply to AMTNs.

References herein to the **Notes** shall be references to the Notes of the Series of which this Note forms part and shall mean any of the following forming part of that Series:

(a) any Notes represented by a global Note (**Global Note**) in bearer form (a **Bearer Global Note**) or, as the context requires, such Bearer Global Note;

(b) any Notes represented by a Global Note in registered form (a **Registered Global Note**) or, as the context requires, such Registered Global Note;

(c) any definitive Notes in bearer form (**Definitive Bearer Notes** and, together with Bearer Global Notes, the **Bearer Notes**) issued in exchange for a Bearer Global Note;

(d) any definitive Notes in registered form (**Definitive Registered Notes** and, together with Registered Global Notes, the **Registered Notes**) (whether or not issued in exchange for a Registered Global Note); and

(e) any Notes in registered uncertificated (or inscribed) form which are constituted by the Australian Deed Poll (**AMTNs**).

The Notes (other than AMTNs), the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated agency agreement dated 31 July 2025 (such agency agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) and made between the Issuer, the Initial Guarantors, the Trustee, Citibank, N.A., London Branch as issuing and paying agent in relation to the Notes, other than the Notes to be cleared through CDP or the CMU, Citicorp Investment Bank (Singapore) Limited as issuing and paying agent in relation to the Notes to be cleared through CDP, Citicorp International Limited as lodging and paying agent in relation to the Notes to be cleared through the CMU (collectively, the **Agent**, which expression shall include any successor agent) (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), Citibank, N.A., London Branch as registrar in relation to the Notes, other than the Notes to be cleared through the CMU, Citicorp International Limited as registrar in relation to the Notes to be cleared through the CMU (collectively, the **Registrar**, which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents).

AMTNs have the benefit of an amended and restated agency agreement dated 4 April 2023 (such agency agreement as amended and/or supplemented and/or restated from time to time, the **Australian Agency Agreement**) and made between the Issuer, the Trustee and Citibank, N.A., London Branch (the **Australian Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Australian Paying Agents**, which expression shall include any

additional or successor paying agents)) and Citigroup Pty Limited as registrar (the **Australian Registrar**, which expression shall include any successor registrar). The Australian Registrar will maintain a register of holders of the AMTNs (the **Australian Register**). References to the **Agent**, the **Paying Agent,** the **Registrar** and the **Register** shall, in relation to AMTNs, be a reference to the Australian Agent, the Australian Paying Agents, the Australian Registrar and the Australian Register (as the case may be).

Interest bearing Definitive Bearer Notes have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes, AMTNs and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in the Final Terms attached to or endorsed on this Note (or in the case of any AMTNs, a copy of the Final Terms will be kept with the Register in respect of the Tranche of which this Note forms part) which supplements these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify these Conditions for the purposes of this Note. References to the **applicable Final Terms** are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note (or in the case of any AMTNs, a copy of the Final Terms will be kept with the Register in respect of the Tranche of which this Note forms part).

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the several persons who are for the time being the holders of the Notes (being, in the case of Bearer Notes, the bearer thereof and, in the case of Registered Notes and AMTNs, the persons whose names are entered in the register of holders of the Notes as the holders thereof), save that, in relation to any Notes represented by a Global Note, such references shall be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons. The Trustee acts for the benefit of the holders for the time being of the Notes (the **Noteholders**, which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the **Receiptholders**) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed, the Agency Agreement, the Australian Deed Poll and the Australian Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Agent, the Registrar and the other Paying Agents. Copies of the applicable Final Terms are available for viewing at the registered office of each of the Issuer, the Agent and the applicable Registrar, in the case of Registered Notes and AMTNs and at the registered office of the other Paying Agents, in the case of Bearer Notes and copies may be obtained from those offices save that, if this Note is an unlisted Note of any Series, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, are entitled to the benefit of and are bound by, all the provisions of the Trust Deed, the Agency Agreement (other than in the case of AMTNs), the Australian Deed Poll (in the case of AMTNs), the Australian Agency Agreement (in the case of AMTNs) and the Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Agency Agreement (other than in the case of AMTNs), the Australian Deed Poll (in the case of AMTNs) and the Australian Agency Agreement (in the case of AMTNs).

Words and expressions defined in the Trust Deed and/or the Agency Agreement (except in respect of AMTNs) or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail. In the event of any inconsistency between the applicable Final Terms for a series of AMTNs and the Australian Deed Poll, the applicable Final Terms will prevail.

1. FORM, DENOMINATION AND TITLE

The Notes are either in bearer form or in registered form, as specified in the applicable Final Terms (and, in the case of Definitive Bearer Notes, serially numbered) in the Specified Currency and the Specified Denomination(s). Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes or AMTNs and Registered Notes may not be exchanged for Bearer Notes or AMTNs. AMTNs may not be exchanged for Bearer Notes or Registered Notes.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes and AMTNs will pass upon registration of transfers in accordance with the provisions of the Agency Agreement or the Australian Agency Agreement (as applicable). The Issuer, the Guarantors, the Paying Agents and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note or AMTN as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held by or on behalf of CDP or by or on behalf of the CMU or by or on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking société anonyme (**Clearstream, Luxembourg**), each person (other than CDP, the CMU, Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of CDP, the CMU, Euroclear or Clearstream, Luxembourg, as applicable, as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by CDP, the CMU, Euroclear or Clearstream, Luxembourg, as applicable, as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantors, the Paying Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest and any other amount payable on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantors, any Paying Agent and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall (where appropriate) be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note held on behalf of CDP or on behalf of the CMU or on behalf of Euroclear and/or Clearstream, Luxembourg will be transferable only in accordance with the rules and procedures for the time being of CDP, the CMU, Euroclear and Clearstream, Luxembourg, as the case may be. References to CDP, the CMU, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Agent and the Trustee.

For so long as any Notes are listed on the Singapore Exchange Securities Trading Limited (**SGX-ST**) and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a Paying Agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that any of the Global Notes representing such Notes is exchanged for definitive Notes. In addition, in the event that any of the Global Notes are exchanged for definitive Notes, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the Paying Agent in Singapore.

In the case of AMTNs, the following provisions shall apply and shall prevail over the foregoing provisions of this Condition 1 in the event of any inconsistency.

AMTNs will be debt obligations of the Issuer constituted by the Australian Deed Poll and will take the form of entries in the Register (as defined below) to be established and maintained by the Registrar in Melbourne, or such other place specified in the applicable Final Terms agreed by the Issuer with the Registrar. The Issuer will arrange for the Registrar to maintain the Register so as to show at all times such details of the Noteholders and the Notes as are required to be shown on the Register by or for the effective operation of these Conditions or by law or which the Issuer and Registrar determine should be shown in the Register. Although AMTNs will not be constituted by the Trust Deed, AMTNs will have the benefit of certain other provisions of the Trust Deed. The Agency Agreement is not applicable to AMTNs.

AMTNs will not be serially numbered, unless otherwise agreed with the Registrar. Each entry in the Register constitutes a separate and individual acknowledgement to the Trustee on behalf of, and to, the relevant Noteholder of the indebtedness of the Issuer to the Trustee on behalf of, and to, the relevant Noteholder. The obligations of the Issuer in respect of each AMTN constitute separate and independent obligations which the Noteholder and the Trustee are entitled to enforce in accordance with (and subject to) these Conditions, the Trust Deed and the Australian Deed Poll. No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to an AMTN unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

No AMTN will be registered in the name of more than four persons. AMTNs registered in the name of more than one person are held by those persons as joint tenants. AMTNs will be registered by name only, without reference to any trusteeship and an entry in the Register in relation to an AMTN constitutes conclusive evidence that the person so entered is the absolute owner of such Note, subject to rectification for fraud or error.

Title to an AMTN and all rights and entitlements arising by virtue of the Australian Deed Poll or the Trust Deed in respect of that AMTN vest absolutely in the registered owner of the AMTN, subject to rectification of the Register for fraud or error, such that no person who has previously been registered as the owner of the AMTN has or is entitled to assert against the Issuer or the Registrar or the registered owner of the AMTN for the time being and from time to time any rights, benefits or entitlements in respect of the AMTN.

2. TRANSFERS OF REGISTERED NOTES AND AMTNS

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by CDP, the CMU, Euroclear or Clearstream, Luxembourg, as applicable, and in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. Notes represented by a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Notes in definitive form or for Notes represented by another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of CDP, the CMU, Euroclear or Clearstream, Luxembourg, as applicable, and only in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of, or of a nominee for, CDP, the CMU, Euroclear or Clearstream, Luxembourg shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of CDP, the CMU, Euroclear or Clearstream, Luxembourg or to a successor of CDP, the CMU, Euroclear or Clearstream, Luxembourg or such successor's nominee and will be subject to compliance with all applicable legal and regulatory restrictions and the terms and conditions of the Agency Agreement.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in Condition 2.5 (*Closed Periods*) below, upon the terms and subject to the conditions set forth in the Agency Agreement and subject to compliance with all applicable legal and regulatory restrictions, a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer:

(a) the holder or holders must:

(i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and

(ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent; and

(b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 3 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three Business Days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 8 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Note or AMTN, or part of a Registered Note or AMTN, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer or the Transfer Agent (or, in the case of AMTNs, the Registrar) shall require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in connection with the transfer.

2.5 Closed Periods

No Noteholder may require the transfer of a Registered Note or AMTN to be registered during the period of (a) 15 days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (b) 15 days before any date on which Notes may be called for redemption by the Issuer pursuant to Condition 8.3 (*Redemption at the option of the Issuer*) and (c) five Business Days ending on (and including) any Record Date.

2.6 Exchanges and transfers of Registered Notes generally

Holders of Definitive Registered Notes may exchange such Notes for interests in a Registered Global Note (if any) of the same type at any time.

2.7 Additional provisions relating to transfer of AMTNs

AMTNs may be transferred in whole but not in part. AMTNs will (subject to the following provisions) be transferred by duly completed and (if applicable) stamped transfer and acceptance forms in the form specified by, and obtainable from, the Registrar or by any other manner approved by the Issuer and the Registrar.

AMTNs entered in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

Application for the transfer of AMTNs must be made by the lodgment of a transfer and acceptance form with the Registrar. Each transfer and acceptance form must be signed by the transferor and transferee and be accompanied by such evidence (if any) as the Registrar may require to prove the title of the transferor or the transferor's right to transfer the AMTNs and that the form has been properly executed by both the transferor and transferee. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in the schedule to the Australian Agency Agreement).

The transferor of an AMTN remains the Noteholder of that AMTN until the name of the transferee is entered in the Register in respect of that AMTN. Transfers will not be registered later than eight days prior to the Maturity Date of an AMTN.

AMTNs may only be transferred if (i) the aggregate consideration payable by the transferee at the time of transfer is at least A$500,000 (or the equivalent in another currency, in either case, disregarding moneys lent by the transferor or its associates) (or the offer or invitation giving rise to the transfer otherwise does not constitute an offer or invitation for which disclosure is required to be made to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act), (ii) the transferee is not a "retail client" as defined in section 761G of the Corporations Act and (ii) the transfer is in compliance with all applicable laws, regulations or directives (including, without limitation, in the case of a transfer to or from Australia, the laws of the jurisdiction in which the transfer takes place). A transfer to an unincorporated association is not permitted.

A person becoming entitled to an AMTN as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the AMTN or, if so entitled, become registered as the holder of the AMTN.

Where the transferor executes a transfer of less than all AMTNs registered in its name, and the specific AMTNs to be transferred are not identified, the Registrar may register the transfer in respect of such of the AMTNs registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of the AMTNs registered as having been transferred equals the aggregate principal amount of the AMTNs expressed to be transferred in the transfer.

3. STATUS OF THE NOTES AND THE GUARANTEE

3.1 Status of the Notes

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) at least equally with all other unsecured obligations of the Issuer, from time to time outstanding.

3.2 Status of the Guarantee

The payment of principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed or the Australian Deed Poll (as applicable) has been unconditionally and irrevocably (subject to Condition 3.3(d)) guaranteed by the Guarantors in the Trust Deed (the **Guarantee**). The obligations of the Guarantors under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Guarantors and (save for certain obligations required to be preferred by law) rank at least equally with all other unsecured obligations of the Guarantors, from time to time outstanding.

3.3 Guarantees; Joining and Releasing of Guarantors

(a) The due payment of principal and interest (if any) in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed, the Australian Deed Poll, the Notes, Receipts and Coupons is guaranteed, on a joint and several basis, by the Guarantors in the Trust Deed.

(b) The Issuer shall ensure that, subject to paragraph (c) below, at all times, the Total Assets of the Guarantors are not less than 85% of the Total Group Assets.

(c) The Issuer may from time to time and in accordance with the terms of the Trust Deed, appoint or procure to be appointed, any Subsidiary of the Issuer which is not a Guarantor as an Additional Guarantor in order to comply with paragraph (b) above. The Issuer shall ensure that any Subsidiary of the Issuer that is required to become a Guarantor in order to comply with paragraph (b) above, within 45 days after the Issuer becomes aware of the requirement, or such greater time as is reasonably required to comply with the requirements of Part 2E.1 (related party transactions) and/or Part 2J.3 (financial assistance) of the Corporations Act (where applicable) executes and delivers to the Trustee a supplemental deed in or substantially in the form scheduled to the Trust Deed (or in such other form as may be approved by the Trustee) whereby such Subsidiary of the Issuer agrees to be bound as a Guarantor under the Trust Deed, all as more fully set out in the Trust Deed;

(d) The Issuer may at any time and from time to time deliver to the Trustee a certificate of two Directors of the Issuer (the **Directors' Certificate**) certifying that (i) a Subsidiary of the Issuer is to be released as a Guarantor (either immediately or at such later time as is specified in such certificate), and (ii) the release of such Guarantor would not cause the Total Assets (immediately following such release) of the remaining Guarantors to be less than 85% of the Total Group Assets (immediately following such release). Upon receipt by the Trustee of the Directors' Certificate (or at such later time as specified in the certificate), such Guarantor shall immediately be released from such Guarantee. Notice of such release shall be given by the Issuer in accordance with Condition 15 (*Notices*) to the Noteholders (with a copy to the Trustee), the Receiptholders and Couponholders within 14 days. The Issuer shall only deliver the Directors' Certificate if, upon the release of the Guarantor from such Guarantee, the Total Assets (immediately following such release) of the Guarantors would not be less than 85% of the Total Group Assets (immediately following such release). The Trustee and the Noteholders shall be deemed to be aware of and be bound by, and take their rights subject to, the provisions of this Condition 3.3 (*Guarantees; Joining and Releasing of Guarantors*) and any such release or permission. All Guarantors shall be deemed to be aware of and be bound by the provisions of this paragraph (d) and any such release or permission. Remaining Guarantors after any release shall continue to be bound by the terms of the Guarantee notwithstanding any release of any other Guarantor.

3.4 Subordination

(a) The Issuer is required under the Trust Deed to ensure that at all times whilst any Notes are outstanding, the Subordinated Debt is subordinated to the Guaranteed Moneys pursuant to (i) the Subordination Deed Poll or (ii) another agreement with or undertaking in favour of the Trustee on terms that are not less favourable to the Noteholders than the Subordination Deed Poll (**Required Subordination Terms**) in any respect that the Trustee considers material (and, in respect of determining whether any such terms are no less favourable to the Noteholders than the Required Subordination Terms in a material respect, the Trustee shall be entitled to seek and rely upon instructions from the Noteholders by an Extraordinary Resolution (as defined in the Trust Deed) or the advice or opinion of or any information (whether addressed to the Trustee or not) obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert whether obtained by the Issuer, any Guarantor, the Trustee or otherwise and shall not be responsible for any Liability (as defined in the Trust Deed) occasioned by so acting).

(b) Among other things, the Subordination Deed Poll permits payments of the Subordinated Debt in certain circumstances, including, subject to certain conditions:

(i) where the payment is made in kind in the form of, or funded out of the proceeds of, an issue of ordinary shares in the Issuer or of financial indebtedness of the Issuer that is subordinated to the Notes on substantially the same terms as the Required Subordination Terms; or

(ii) where (x) the FFO Interest Cover Ratio for the Group's most recently ended financial year (as determined on a consolidated basis by reference to the Issuer's annual audited financial statements for that financial year) is not less than 2 times, and (y) the board of directors of the Issuer has determined that the payment will not materially prejudice the ability of the Issuer to pay its creditors.

(c) A certificate of, or from, the Issuer referred to in this Condition 3.4 must be signed on behalf of the Issuer by a director, Chief Executive Officer or Chief Financial Officer of the Issuer.

(d) The Trustee shall be entitled to rely without enquiry on any certificate of the Issuer provided under this Condition and will not be liable or responsible to any other party for any Liabilities or inconvenience which may result from anything done or omitted to be done by the Trustee in accordance with the forgoing provisions and the provisions set out in the Trust Deed regardless of whether anything done or omitted to be done is materially prejudicial, or less favourable (whether materially or otherwise), to the Noteholders.

(e) If the Trustee receives any amounts in accordance with the Subordination Deed Poll or any replacement subordination arrangement, the Trustee must:

(i) if an Event of Default has occurred, apply such amount in accordance with the Trust Deed; or

(ii) in any other case, pay the amount to the Issuer, following receipt of a written instruction from the Issuer to do so.

(f) Each Noteholder shall be deemed to acknowledge and consent to the Trustee taking all actions and providing any necessary consents required of it under the Trust Deed, and if the Trustee so acts (or is otherwise compelled to act or provide any consent) the Noteholders will hold the Trustee harmless and without liability for any such action taken even if such action is materially prejudicial, or less favourable (whether materially or otherwise), to a Noteholder's interests.

3.5 Definitions

In the Conditions, the following expressions have the following meanings:

Additional Guarantor means a Subsidiary of the Issuer which becomes an Additional Guarantor in accordance with Condition 3.3 (*Guarantee; Joining and Releasing of Guarantors*);

Austraclear means Austraclear Ltd (ABN 94 002 060 773);

Austraclear System means the system operated by Austraclear for holding securities and the electronic recording and settling of transactions in those securities between members of that system;

CMU means the Central Moneymarkets Unit Service operated by the HKMA;

CMU Issue Position Report shall have the meaning specified in the CMU Rules;

CMU Lodging and Paying Agent means Citicorp International Limited or such other CMU lodging and paying agent as may be appointed from time to time under the Agency Agreement;

CMU Manual means the reference manual relating to the operation of the CMU issued by the HKMA to CMU Members, as amended from time to time;

CMU Member means any member of the CMU;

CMU Registrar means Citicorp International Limited as CMU registrar hereunder (or such other CMU registrar as may be appointed from time to time under the Agency Agreement);

CMU Rules means all requirements of the CMU for the time being applicable to a CMU Member and includes (a) all the obligations for the time being applicable to a CMU Member under or by virtue of its membership agreement with the CMU and the CMU Manual; (b) all the operating procedures as set out in the CMU Manual for the time being in force in so far as such procedures are applicable to a CMU Member; and (c) any directions for the time being in force and applicable to a CMU Member given by the HKMA through any operational circulars or pursuant to any provision of its membership agreement with the HKMA or the CMU Manual;

CMU Transfer Agent means Citicorp International Limited as CMU transfer agent hereunder (or such other CMU transfer agents as may be appointed from time to time under the Agency Agreement);

Corporations Act means the Corporations Act 2001 (Commonwealth of Australia);

Deed of Covenant means the deed of covenant made by the Issuer in respect of the Notes deposited with CDP;

Excluded Subsidiary means any member of the Group which in the Issuer's reasonable opinion, is prohibited from becoming a Guarantor by the terms of a contractual obligation applying in respect of it (whether or not it is actually bound by that obligation) (other than a contractual obligation created in anticipation of such entity becoming a member of the Group solely to avoid any requirement that it becomes an Additional Guarantor under these Conditions and without otherwise restricting its ability to incur indebtedness), however, where such member of the Group is no longer prohibited from becoming a Guarantor by the terms of a contractual obligation, that member of the Group will cease to be an Excluded Subsidiary.

FFO means, for any period, Operating Profit for that period plus depreciation and amortisation less income tax paid in respect of that Operating Profit (excluding any one-off payments or settlements), plus or minus (as the case may be) Net Interest Expense and plus or minus (as the case may be) any unrealised loss or gain in book value of any assets arising on revaluation and (to the extent not included in Interest Expense) any unrealised losses or gains from the mark-to-market movement of derivative transactions or other financial liabilities;

FFO Interest Cover Ratio means, for any period, the ratio of FFO to Net Interest Expense for that period;

Group means the Issuer and its Subsidiaries for the time being;

Guarantee means the guarantee referred to in Condition 3.3 (*Guarantee; Joining and Releasing of Guarantors*) and more fully set out in the Trust Deed pursuant to which the Guarantors jointly and severally guarantee to the Trustee and the Noteholders the due and punctual payment of all sums which may be payable in respect of the Notes and under the Trust Deed;

Guaranteed Moneys means all sums payable by the Issuer under the Trust Deed, the Australian Deed Poll, the Notes, the Receipts or the Coupons;

Guarantor means, at any time and from time to time, each Initial Guarantor and each Additional Guarantor but does not include any entity which has been released from its obligations as a Guarantor in accordance with Condition 3.3 (*Guarantee; Joining and Releasing of Guarantors*) and **Guarantors** shall be construed accordingly;

Interest Expense means, for any period, the interest expense of the Group for that period on a consolidated basis, excluding any establishment or other upfront fee and any unrealised gains or losses from the mark-to-market movement of derivative or other financial liabilities and excluding any interest expense relating to the Subordinated Debt;

Interest Income means, for any period, the aggregate of:

(a) any interest, commission, fees, discounts or other finance payments accrued by the Group under any hedging arrangement; and

(b) any interest accrued by the Group on any deposit or other bank account,

for that period.

Net Interest Expense means, for any period, Interest Expense minus Interest Income for that period.

Junior Creditor means State Grid International Development Australia Investment Company Limited or Singapore Power International Pte Ltd;

Operating Profit means, for any period, net profit before tax, less equity profit from associates and joint ventures, plus dividends and distributions from associates and joint ventures and interest expense relating to the Subordinated Debt, of the Group on a consolidated basis for that period;

Permitted Security Interest means a Security Interest over the assets of any entity becoming a Subsidiary after the date of the Trust Deed which existed at the time of such entity becoming a Subsidiary (other than any Security Interest created in contemplation thereof), and any Security Interest thereafter created by such entity in substitution for the aforesaid Security Interest, in either case securing Capital Markets Indebtedness (or any guarantee, indemnity or other assurance against financial loss in respect of any Capital Markets Indebtedness) and provided in either case that (a) the Capital Markets Indebtedness secured thereby existed at the time of such entity becoming a Subsidiary, (b) the principal amount of such Capital Markets Indebtedness secured thereby is not increased after the time of such entity becoming a Subsidiary, (c) the maturity of such Capital Markets Indebtedness secured thereby is not extended beyond the maturity of such Capital Markets Indebtedness at the time of such entity becoming a Subsidiary and (d) the Security Interest, or any substitution thereof, is limited to the property or assets originally subject thereto and/or property that becomes subject to such Security Interest pursuant to the original terms thereof;

Security Interest means any mortgage, charge, pledge, lien or other encumbrance or security interest (including any security interest analogous to any of the foregoing under the laws of any jurisdiction) but excluding any cash deposited or securities held as part of a debt defeasance arrangement;

Subordinated Debt means all amounts that at any time are payable, are owing but not currently payable, are contingently owing, or remain unpaid, by the Issuer to the Junior Creditors under or in connection with:

(a) the convertible instruments subscribed for by and outstanding to the Junior Creditors as at 4 September 2015; or

(b) any other financial accommodation provided by the Junior Creditors to the Issuer after 4 September 2015 and which the Junior Creditors and the Issuer have agreed in writing is to be Subordinated Debt for the purposes of the Trust Deed;

Subordination Deed Poll means the Subordination Deed Poll dated 4 September 2015 and made by the Issuer and the Junior Creditors (as amended, supplemented or replaced in accordance with the terms of the Trust Deed);

Subsidiary in relation to a company means a subsidiary of such company as defined in section 46 of the Corporations Act;

Tax Act means the Income Tax Assessment Act 1936 of Australia and where applicable, the Income Tax Assessment Act 1997 of Australia;

Total Assets means, in relation to any entity:

(a) the aggregate of the book value of all current and non-current assets (other than assets secured by a Permitted Security Interest) on a consolidated basis after eliminating all inter-company transactions; and

(b) to the extent not included in paragraph (a), where the entity has one or more Subsidiaries that are Excluded Subsidiaries, the aggregate of the book value of all current and non-current assets (other than assets secured by a Permitted Security Interest) of those Excluded Subsidiaries on a consolidated basis, after eliminating all inter-company transactions; and

Total Group Assets means the aggregate of the book value of all current and non-current assets (other than assets secured by a Permitted Security Interest) of each entity comprising the Group on a consolidated basis, after eliminating all inter-company transactions.

4. NEGATIVE PLEDGE

(a) So long as any Note remains outstanding, the Issuer and each Guarantor will not create or permit to subsist any Security Interest (other than a Permitted Security Interest) on the whole or any part of its or any Excluded Subsidiary's present or future undertakings, assets or revenues (including uncalled capital) to secure any Capital Market Indebtedness or any guarantee, indemnity or other assurance against financial loss in respect of any Capital Markets Indebtedness unless, before or at the same time, the Issuer's obligations under the Notes either:

(i) are secured equally and rateably to the satisfaction of the Trustee; or

(ii) have the benefit of any other Security Interest as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Noteholders or as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Noteholders.

(b) For the purposes of this Condition, **Capital Markets Indebtedness** means any indebtedness for money borrowed or interest thereon in the form of bonds, notes, debentures, loan stock or other similar securities that are, or are capable of being, quoted, listed or ordinarily dealt with in any stock exchange, over-the-counter or other securities market but excluding loan notes representing indebtedness raised in the loan syndications or bank market.

5. REDENOMINATION

5.1 Redenomination

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders or the Trustee, on giving prior notice to the Agent, CDP, the CMU, Euroclear and Clearstream, Luxembourg and the Trustee and at least 30 days' prior notice to the Noteholders in accordance with Condition 15 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Notes (other than in respect of AMTNs) shall be redenominated in euro.

The election will have effect as follows:

(a) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent and the Trustee, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders in accordance with Condition 15 (*Notices*), the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;

(b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes (on any coupon or otherwise) will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

(c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer (i) in the case of Relevant Notes in the denomination of euro 50,000 and/or such higher amounts as the Agent may determine and notify to the Noteholders and any remaining amounts less than euro 50,000 shall be redeemed by the Issuer and paid to the Noteholders in euro in accordance with Condition 7 (*Payments*); and (ii) in the case of Notes which are not Relevant Notes, in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent and the Trustee may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;

(d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee;

(f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:

(i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and

(ii) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding;

(g) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and

(h) such other changes shall be made to this Condition as the Issuer may decide, after consultation with the Agent and the Trustee, and as may be specified in the notice, to conform it to conventions then applicable to instruments denominated in euro.

5.2 Definitions

In the Conditions, the following expressions have the following meanings:

Established Rate means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

euro means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

Redenomination Date means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 5.1 (*Redenomination*) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union;

Relevant Notes means all Notes where the applicable Final Terms provide for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 50,000 and which are admitted to trading on a regulated market in the European Economic Area; and

Treaty means the Treaty establishing the European Community, as amended.

6. INTEREST

6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum expressed as a percentage equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date (or such earlier date as may be fixed for redemption in accordance with the Conditions).

If the Notes are in definitive form or in the form of AMTNs, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form or in the form of AMTNs where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are represented by a Global Note or in the form of AMTNs, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note or of such AMTNs (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(b) in the case of Fixed Rate Notes in definitive form, the **Calculation Amount**;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6.1 (*Interest on Fixed Rate Notes*):

(a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(b) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and

(c) if "RBA Bond Basis" is specified in the applicable Final Terms, one divided by the number of Interest Payment Dates in each 12 month period or, where the relevant period does not constitute an Interest Period, the product of:

(i) one divided by the number of Interest Payment Dates in each 12 month period; and

(ii) the number of days in the relevant period divided by the actual number of days in the Interest Period ending on the next Interest Payment Date.

In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on (but excluding) the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

6.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate of interest (expressed as a percentage) equal to the Rate of Interest and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each **Interest Period** (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating either the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes or the latest version of the 2021 ISDA Derivatives definitions as published by ISDA and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) as specified in the applicable Final Terms and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms;

(C) the relevant Reset Date is either (a) if the applicable Floating Rate Option is based on the Euro-zone interbank offered rate (**EURIBOR**), the first day of that Interest Period or (b) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes not referencing Compounded Daily SONIA, Compounded Daily SOFR, BBSW or AONIA

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Reference Rate specified in the applicable Final Terms is EURIBOR or another rate (other than Compounded

Daily SONIA, Compounded Daily SOFR, BBSW or AONIA), the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being a rate other than EURIBOR, Compounded Daily SONIA, Compounded Daily SOFR, BBSW or AONIA, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

If the Relevant Screen Page is not available or if, sub-paragraph (ii)(A) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (ii)(B) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Issuer (or an independent adviser appointed by it) shall request, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Issuer (or an independent adviser appointed by it) with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as notified to and determined by the Calculation Agent.

If the paragraph above applies and fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Issuer (or an independent adviser appointed by it) by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market, or, if fewer than two of the Reference Banks provide the Issuer (or an independent adviser appointed by it) with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Issuer (or an independent adviser appointed by it) it is quoting to leading banks in the Euro-zone inter-bank market, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period).

(iii) Benchmark Rate Determination for AMTNs

Where, in relation to an issue of AMTNs, BBSW Rate Determination or AONIA Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for each Interest Period, the Rate of Interest applicable to the Floating Rate Notes for each such Interest Period is the sum of the Margin and either (x) the BBSW Rate or (y) the AONIA Rate as specified in the applicable Final Terms.

Each Noteholder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, the determination of, substitution for and any adjustments made to the BBSW Rate or the AONIA Rate, as applicable, in each case as described in this Condition 6.2(b)(iii) and in Condition 6.2(i) (*AMTN Benchmark Rate fallback*) below (in all cases without the need for any Noteholder consent). Any determination, decision or election (including a decision to take or refrain from taking any action or as to the occurrence or non-occurrence of any event or circumstance), and any substitution for and adjustments made to, the BBSW Rate or the AONIA Rate, as applicable, and in each case made in accordance with this Condition 6.2(b)(iii) and Condition 6.2(i), will, in the absence of manifest or proven error, be conclusive and binding on the Issuer, the Noteholder and each Agent and, notwithstanding anything to the contrary in these Conditions or other documentation relating to the Notes, shall become effective without the consent of any person.

If the Calculation Agent is unwilling or unable to determine a necessary rate, adjustment, quantum, formula, methodology or other variable in order to calculate the applicable Rate of Interest, such rate, adjustment, quantum, formula, methodology or other variable will be determined by the Issuer (acting in good faith and in a commercially reasonable manner) or, an alternate financial institution (acting in good faith and in a commercially reasonable manner) appointed by the Issuer (in its sole discretion) to so determine.

All rates determined pursuant to this Condition 6.2(b)(iii) shall be expressed as a percentage rate per annum and the resulting percentage will be rounded if necessary to the fourth decimal place (i.e., to the nearest one ten-thousandth of a percentage point) with 0.0005 being rounded upwards.

(iv) Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SONIA

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the applicable Final Terms as being "Compounded Daily SONIA", the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA with respect to such Interest Period plus or minus the Margin (if any) as specified in the applicable Final Terms, all as determined and calculated by the Calculation Agent.

(v) Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SOFR

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Interest Rate is to be determined and the Reference Rate is specified in the applicable Final Terms as being "Compounded Daily SOFR", the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR for such Interest Period plus or minus (as specified in the applicable Final Terms) the Margin (if any), all as determined and calculated by the Calculation Agent.

(vi) Linear Interpolation

Where Linear Interpolation is specified in the applicable Final Terms as applicable in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified in the applicable Final Terms as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified in the applicable Final Terms as applicable), or the relevant BBSW Rate (where "BBSW Rate Determination" is specified as applicable in the applicable Final Terms) one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Issuer (or an independent adviser appointed by it) shall determine such rate at such time and by reference to such sources as it determines appropriate.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Agent or as applicable, the Calculation Agent, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent or as applicable, the Registrar, in the case of Floating Rate Notes, and the Calculation Agent in the case of Index Linked Interest Notes, will calculate the amount of interest (the **Interest Amount**) payable in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note or in the form of AMTNs, the aggregate outstanding nominal amount of the Notes represented by such Global Note or of such AMTNs (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6.2 (*Interest on Floating Rate Notes and Index Linked Interest Notes*):

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(e) Notification of Rate of Interest and Interest Amounts

The Agent, the Registrar or, if applicable, the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified (by no later than the first day of each Interest Period) to the Issuer, the Registrar (in the case of AMTNs), the Guarantors, the Trustee, the Paying Agents and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15 (*Notices*). For the purposes of this paragraph, the expression **Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Melbourne and Singapore.

(f) Determination or Calculation by Trustee

If for any reason at any relevant time the Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Agent or, as the case may be, the Calculation Agent defaults in its obligation to calculate any Interest Amount in accordance with subparagraph (b)(i), subparagraph (b)(ii) above or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (d) above, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent or the Calculation Agent, as applicable.

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.2 (*Interest on Floating Rate Notes and Index Linked Interest Notes*), whether by the Agent, the Registrar or, if applicable, the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Guarantors, the Agent, the Calculation Agent (if applicable), the other Paying Agents, the Trustee and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default

or bad faith) no liability to the Issuer, the Guarantors, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent, the Registrar, if applicable, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(h) Benchmark replacement

(This Condition 6.2(h) does not apply to AMTNS. Condition 6.2(i) below applies to AMTNs.)

In addition, notwithstanding the provisions above in this Condition 6.2, if the Issuer determines that a Benchmark Event has occurred in relation to the relevant Reference Rate specified in the applicable Final Terms when any Rate of Interest (or the relevant component part thereof) remains to be determined by such Reference Rate, then the following provisions shall apply:

(i) the Issuer shall use all reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in a reasonable manner), no later than ten business days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "IA Determination Cut-off Date"), a Successor Rate or, alternatively, if there is no Successor Rate, an Alternative Reference Rate for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes;

(ii) if the Issuer (acting in a reasonable manner) is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in a reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate;

(iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 6.2(h)); provided, however, that if sub-paragraph (ii) above applies and the Issuer (acting in a reasonable manner) is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Period (or alternatively, if there has not been a first Interest Payment Date, the rate of interest shall be the initial Rate of Interest) (subject, where applicable, to substituting the Margin (as defined below) that applied to such preceding Interest Period for the Margin that is to be applied to the relevant Interest Period); for the avoidance of doubt, the proviso in this sub- paragraph (iii) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 6.2(h));

(iv) if the Independent Adviser or the Issuer (acting in a reasonable manner) determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Issuer (acting in good faith and in a commercially reasonable manner) (as applicable), may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, business days, Interest Determination Date and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, if such changes are necessary to ensure the proper operation of such Successor Rate, Alternative Reference Rate and/or Adjustment Spread (as defined below) (as applicable). If the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable), determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (acting in a reasonable manner) (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. At the request of the Issuer, but subject to receipt by the Trustee and the Agent of a certificate signed by two authorised signatories of the Issuer, the Trustee and the Agent shall, at the direction and expense of the Issuer, be obliged to concur with the Issuer and with such determination by the Independent Adviser in using its reasonable endeavours in effecting such consequential amendments to the Trust Deed, Agency Agreement and these Conditions as may be required in order to give effect to this Condition 6.2(h) and the Trustee and the Agent shall not be liable to any party for any consequences thereof, provided that the Trustee and the Agent shall not be obliged so to concur if in the opinion of the Trustee and/or the Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee and/or the Agent in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way. For the avoidance of doubt, Noteholder consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable) or such related changes, including for the execution of any documents or other steps by the Trustee or the Agent (if required); and

(v) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable), give notice thereof to the Trustee, the Agent and the Noteholders, which shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable) and any consequential changes made to these Conditions,

provided that the determination of any Successor Rate or Alternative Reference Rate, and any other related changes to the Notes, shall be made in accordance with applicable law.

(i) AMTN Benchmark Rate fallback

If:

(a) a Temporary Disruption Trigger has occurred; or

(b) a Permanent Discontinuation Trigger has occurred,

then the Benchmark Rate for an Interest Period, whilst such Temporary Disruption Trigger is continuing or after a Permanent Discontinuation Trigger has occurred, means (in the following order of application and precedence):

(i) where BBSW Rate is the Applicable Benchmark Rate, if a Temporary Disruption Trigger has occurred with respect to the BBSW Rate, in the following order of precedence:

(A) first, the Administrator Recommended Rate;

(B) then the Supervisor Recommended Rate; and

(C) lastly, the Final Fallback Rate;

(ii) where AONIA is the Applicable Benchmark Rate or a determination of the AONIA Rate is required for the purposes of paragraph (i) above, if a Temporary Disruption Trigger has occurred with respect to AONIA, the rate for any day for which AONIA is required will be the last provided or published level of AONIA;

(iii) where a determination of the RBA Recommended Rate is required for the purposes of paragraph (i) or (ii) above, if a Temporary Disruption Trigger has occurred with respect to the RBA Recommended Rate, the rate for any day for which the RBA Recommended Rate is required will be the last rate provided or published by the Administrator of the RBA Recommended Rate (or if no such rate has been so provided or published, the last provided or published level of AONIA);

(iv) where BBSW Rate is the Applicable Benchmark Rate, if a Permanent Discontinuation Trigger has occurred with respect to the BBSW Rate, the rate for any day for which the BBSW Rate is required on or after the Permanent Fallback Effective Date will be the first rate available in the following order of precedence:

(A) first, if at the time of the BBSW Rate Permanent Fallback Effective Date, no AONIA Permanent Fallback Effective Date has occurred, the AONIA Rate;

(B) then, if at the time of the BBSW Rate Permanent Fallback Effective Date, an AONIA Permanent Fallback Effective Date has occurred, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Fallback Rate; and

(C) lastly, if neither paragraph (A) nor paragraph (B) above apply, the Final Fallback Rate;

(v) where AONIA is the Applicable Benchmark Rate or a determination of the AONIA Rate is required for the purposes of paragraph (iv)(A) above, if a Permanent Discontinuation Trigger has occurred with respect to AONIA, the rate for any day for which AONIA is required on or after the AONIA Permanent Fallback Effective Date will be the first rate available in the following order of precedence:

(A) first, if at the time of the AONIA Permanent Fallback Effective Date, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Rate; and

(B) lastly, if paragraph (A) above does not apply, the Final Fallback Rate; and

(vi) where a determination of the RBA Recommended Rate is required for the purposes of paragraph (iv) or (v) above, respectively, if a Permanent Discontinuation Trigger has occurred with respect to the RBA Recommended Rate, the rate for any day for which the RBA Recommended Rate is required on or after that Permanent Fallback Effective Date will be the Final Fallback Rate.

When calculating an amount of interest in circumstances where a Fallback Rate other than the Final Fallback Rate applies, that interest will be calculated as if references to the BBSW Rate or AONIA Rate (as applicable) were references to that Fallback Rate. When calculating interest in circumstances where the Final Fallback Rate applies, the amount of interest will be calculated on the same basis as if the Applicable Benchmark Rate in effect immediately prior to the application of that Final Fallback Rate remained in effect but with necessary adjustments to substitute all references to that Applicable Benchmark Rate with corresponding references to the Final Fallback Rate.

(j) Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

Adjustment Spread means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable), determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders and Couponholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(b) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(c) if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in a reasonable manner) to be appropriate.

Administrator means:

(a) in respect of the BBSW Rate, ASX Benchmarks Pty Limited (ABN 38 616 075 417);

(b) in respect of AONIA, the Reserve Bank of Australia; and

(c) in respect of any other Applicable Benchmark Rate, the administrator for that rate or benchmark or, if there is no administrator, the provider of that rate or benchmark,

and, in each case, any successor administrator or, as applicable, any successor administrator or provider.

Administrator Recommended Rate means the rate formally recommended for use as the temporary replacement for the BBSW Rate by the Administrator of the BBSW Rate.

Alternative Reference Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in a reasonable manner) is most comparable to the relevant Reference Rate.

AMTN Adjustment Spread means the adjustment spread as at the AMTN Adjustment Spread Fixing Date (which may be a positive or negative value or zero and determined pursuant to a formula or methodology) that is:

(a) determined as the median of the historical differences between the BBSW Rate and AONIA over a five calendar year period prior to the AMTN Adjustment Spread Fixing Date using practices based on those used for the determination of the Bloomberg Adjustment Spread as at 1 December 2022, provided that for so long as the Bloomberg Adjustment Spread is published and determined based on the five year median of the historical differences between the BBSW Rate and AONIA, that adjustment spread will be deemed to be acceptable for the purposes of this paragraph (a); or

(b) if no such median can be determined in accordance with paragraph (a), set using the method for calculating or determining such adjustment spread determined by the Calculation Agent (after consultation with the Issuer where practicable) to be appropriate.

AMTN Adjustment Spread Fixing Date means the first date on which a Permanent Discontinuation Trigger occurs with respect to the BBSW Rate.

AONIA mean the Australian dollar interbank overnight cash rate (known as AONIA).

AONIA Observation Period means the period from (and including) the date falling five Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on (but excluding) the date falling five Business Days prior to the end of such Interest Period (or the date falling five Business Days prior to such earlier date, if any, on which the Notes become due and payable).

AONIA Rate means, for an Interest Period and in respect of an Interest Determination Date, the rate determined by the Calculation Agent to be Compounded Daily AONIA for that Interest Period and Interest Determination Date plus, if applicable, the AMTN Adjustment Spread.

Applicable Benchmark Rate means the Benchmark Rate specified in the relevant Final Terms and, if a Permanent Fallback Effective Date has occurred with respect to the BBSW Rate, AONIA or the RBA Recommended Rate, then the rate determined in accordance with Condition 6.2(i) (*AMTN Benchmark Rate fallback*).

BBSW Rate means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the "AVG MID" on the 'Refinitiv Screen ASX29 Page' or "MTD Rate" on the 'Bloomberg Screen BBSW Page' (or any designation which replaces that designation on the applicable page, or any replacement page) at the Publication Time on the first Business Day of that Interest Period.

Benchmark Event means, in respect of a Reference Rate:

(a) such Reference Rate ceasing be published for a period of at least five business days or ceasing to exist;

(b) a public statement by the administrator of such Reference Rate that it will, by a specified date within the following six months, cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate);

(c) a public statement by the supervisor of the administrator of such Reference Rate that such Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued;

(d) a public statement by the supervisor of the administrator of such Reference Rate that means such Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or

(e) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using such Reference Rate.

Benchmark Rate means, for an Interest Period, either the BBSW Rate or the AONIA Rate as specified in the applicable Final Terms.

Bloomberg Adjustment Spread means the term adjusted AONIA spread relating to the BBSW Rate provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time as the provider of term adjusted AONIA and the spread) (**BISL**) on the Fallback Rate (AONIA) Screen (or by other means), or provided to, and published

by, authorised distributors where Fallback Rate (AONIA) Screen means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for the BBSW Rate accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by BISL.

Compounded Daily AONIA means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the AONIA Observation Period corresponding to such Interest Period (with AONIA as the reference rate for the calculation of interest) as calculated by the Calculation Agent on the Interest Determination Date, as follows:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{AONIA_{i-5\ SBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

$\boldsymbol{AONIA_{i-5SBD}}$ means the per annum rate expressed as a decimal which is the level of AONIA provided by the Administrator and published as of the Publication Time for the Business Day falling five Business Days prior to such Business Day "i";

$\boldsymbol{d}$ is the number of calendar days in the relevant Interest Period;

$\boldsymbol{d_0}$ is the number of Business Days in the relevant Interest Period;

$\boldsymbol{i}$ is a series of whole numbers from 1 to $\boldsymbol{d_0}$, each representing the relevant Business Day in chronological order from (and including) the first Business Day in the relevant Interest Period to (and including) the last Business Day in such Interest Period;

$\boldsymbol{n_i}$ for any Business Day "i" in the relevant Interest Period, means the number of calendar days from (and including) such Business Day "i" up to (but excluding) the following Business Day; and

SBD means any day on which commercial banks are open for general business in Sydney.

If, for any reason, Compounded Daily AONIA needs to be determined for a period other than an Interest Period, Compounded Daily AONIA is to be determined as if that period were an Interest Period starting on (and including) the first day of that period and ending on (but excluding) the last day of that period.

Compounded Daily SOFR means, with respect to an Interest Period:

(a) if Index Determination is specified as being applicable in the applicable Final Terms, the rate determined the Calculation Agent on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}}-\mathbf{1}\right)\times\left(\frac{360}{d}\right)$$

where:

SOFR Index$_{Start}$ is the SOFR Index value for the day falling "p" U.S. Government Securities Business Days prior to the first day of the relevant Interest Period;

SOFR Index$_{End}$ is the SOFR Index value for the day falling "p" U.S. Government Securities Business Days prior to the last day of the relevant Interest Period; and

d is the number of calendar days in the relevant SOFR Observation Period;

provided that, if the SOFR Index value required to determine SOFR Index$_{Start}$ or SOFR Index$_{End}$ does not appear on the SOFR Administrator's Website at the Relevant Time on the relevant U.S. Government Securities Business Day (or by 3:00 p.m. New York City time on the immediately following U.S. Government Securities Business Day or such later time falling one hour after the customary or scheduled time for publication of the SOFR Index value in accordance with

the then-prevailing operational procedures of the administrator of SOFR Index), "Compounded Daily SOFR" for such Interest Period and each Interest Period thereafter will be determined in accordance with Condition 13.9(b); or

(b) if either (x) Index Determination is specified as being not applicable in the applicable Final Terms, or (y) this paragraph (b) applies to such Interest Period pursuant to the proviso in paragraph (a) above, the rate determined by the Calculation Agent on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

d is the number of calendar days in the relevant SOFR Observation Period;

d_0 is the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

i is a series of whole numbers from one to "d_0", each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant SOFR Observation Period;

n_i, for any U.S. Government Securities Business Day "i", in the relevant SOFR Observation Period, is the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to but excluding the following U.S. Government Securities Business Day ("i+1"); and

$SOFR_i$ means, in respect of any U.S. Government Securities Business Day "i" falling in the relevant SOFR Observation Period, the SOFR Reference Rate for such U.S. Government Securities Business Day.

If the SOFR Benchmark Replacement is at any time required to be used pursuant to paragraph (c) of the definition of SOFR Reference Rate, then the SOFR Benchmark Replacement Agent will determine the SOFR Benchmark Replacement in accordance with the definition thereof with respect to the then-current SOFR Benchmark, and if the SOFR Benchmark Replacement Agent has so determined the SOFR Benchmark Replacement, then:

(i) the SOFR Benchmark Replacement Agent shall also determine the method for determining the rate described in sub-paragraph (i) of paragraph (a), (b) or (c) of the definition of SOFR Benchmark Replacement, as applicable (including (i) the page, section or other part of a particular information service on or source from which such rate appears or is obtained (the **Alternative Relevant Source**), (ii) the time at which such rate appears on, or is obtained from, the Alternative Relevant Source (the **Alternative Relevant Time**), (iii) the day on which such rate will appear on, or is obtained from, the Alternative Relevant Source in respect of each U.S. Government Securities Business Day (the **Alternative Relevant Date**), and (iv) any alternative method for determining such rate if is unavailable at the Alternative Relevant Time on the applicable Alternative Relevant Date), which method shall be consistent with industry-accepted practices for such rate;

(ii) from (and including) the Affected Day, references to the Relevant Time shall in these Conditions be deemed to be references to the Alternative Relevant Time;

(iii) if the SOFR Benchmark Replacement Agent, as applicable, determine that (i) changes to the definitions of Business Day, Business Day Convention, Compounded Daily SOFR, Day Count Fraction, Interest Determination Date, Interest Payment Date, Interest Period, SOFR Observation Period, SOFR Reference Rate or U.S. Government Securities Business Day and/or (ii) any other technical changes to any other provision in this Condition 6.2, are necessary in order to implement the SOFR Benchmark Replacement (including any alternative method described in sub-paragraph (iv) of paragraph (i) above) as the SOFR Benchmark in a manner substantially consistent with market practice (or, if the SOFR Benchmark Replacement Agent decide that adoption of any portion of such market practice is not administratively feasible or if the SOFR Benchmark Replacement Agent, as the case may be, determines that no market practice for use of the SOFR Benchmark Replacement exists, in such other manner as the SOFR Benchmark Replacement Agent determines is reasonably necessary), the Issuer and/or the Calculation Agent, as applicable, shall agree without any requirement for the consent or approval of

Noteholders to the necessary modifications to these Conditions and/or the Agency Agreement in order to provide for the amendment of such definitions or other provisions to reflect such changes; and

(iv) the Issuer will give notice or will procure that notice is given as soon as practicable to the Calculation Agent and to the Noteholders in accordance with Condition 15, specifying the SOFR Benchmark Replacement, as well as the details described in paragraph A above and the amendments implemented pursuant to paragraph (iii) above.

Compounded Daily SONIA means, with respect to an Interest Period:

(a) if Index Determination is specified as being applicable in the applicable Final Terms, the rate determined by the Calculation Agent on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left(\frac{\textbf{SONIA Compounded Index}_{Y}}{\textbf{SONIA Compounded Index}_{X}} - 1\right) x \frac{365}{d}$$

where:

SONIA Compounded Index$_x$ is the SONIA Compounded Index for the day falling p London Banking Days prior to the first day of the relevant Interest Period;

SONIA Compounded Index$_y$ is the SONIA Compounded Index for the day falling p London Banking Days prior to the last day of the relevant Interest Period;

d is the number of calendar days in the relevant SONIA Observation Period,

provided that if the SONIA Compounded Index required to determine SONIA Compounded Index$_x$ or SONIA Compounded Index$_y$ does not appear on the Bank of England's Interactive Statistical Database, or any successor source on which the compounded daily SONIA rate is published by the Bank of England (or any successor administrator of SONIA), at the Relevant Time on the relevant London Banking Day (or by 5:00 p.m. London time or such later time failing one hour after the customary or scheduled time for publication of the SONIA Compounded Index in accordance with the then-prevailing operational procedures of the administrator of the SONIA Reference Rate or SONIA authorised distributors, as the case may be), then Compounded Daily SONIA for such Interest Period and each subsequent Interest Period shall be "Compounded Daily SONIA" determined in accordance with paragraph (b) below and for these purposes the "SONIA Observation Method" shall be deemed to be "Shift"; or

(b) if either (x) Index Determination is specified as being not applicable in the applicable Final Terms, or (y) this paragraph (b) applies to such Interest Period pursuant to the proviso in paragraph (a) above, the rate determined by the Calculation Agent on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SONIA_{i-pLBD} \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

d is the number of calendar days in (where in the applicable Final Terms "Lag" is specified as the SONIA Observation Method) the relevant Interest Period or (where in the applicable Final Terms "Shift" is specified as the SONIA Observation Method) the relevant SONIA Observation Period;

d_0 is the number of London Banking Days in (where in the applicable Final Terms "Lag" is specified as the SONIA Observation Method) the relevant Interest Period or (where in the applicable Final Terms "Shift" is specified as the SONIA Observation Method) the SONIA Observation Period;

i is a series of whole numbers from one to d_0, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in (where in the applicable Final Terms "Lag" is specified as the

SONIA Observation Method) the relevant Interest Period or (where in the applicable Final Terms "Shift" is specified as the SONIA Observation Method) the SONIA Observation Period;

n_i, for any London Banking Day "i", is the number of calendar days from (and including) such London Banking Day "i" up to (but excluding) the following London Banking Day;

$SONIA_{i\text{-}pLBD}$ means:

(i) where in the applicable Final Terms "Lag" is specified as the SONIA Observation Method, in respect of any London Banking Day "i" falling in the relevant Interest Period, the SONIA Reference Rate for the London Banking Day falling "p" London Banking Days prior to such London Banking Day "i"; or

(ii) where in the applicable Final Terms "Shift" is specified as the SONIA Observation Method, "SONIAi-pLBD" shall be replaced in the above formula with "SONIAi", where "SONIAi" means, in respect of any London Banking Day "i" falling in the relevant SONIA Observation Period, the SONIA Reference Rate for such London Banking Day "i".

In the event that London Banking Day "i" cannot be determined by the Calculation Agent in accordance with the foregoing provisions, the Interest Rate shall be:

(iii) determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Interest Rate and/or Minimum Interest Rate is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, the Maximum Interest Rate and/or the Minimum Interest Rate (as the case may be) relating to the relevant Interest Period, in place of the Margin, Maximum Interest Rate and/or Minimum Interest Rate (as applicable) relating to that last preceding Interest Period); or

(iv) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to such Series of Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Interest Rate and/or Minimum Interest Rate, applicable to the first scheduled Interest Period).

Corresponding Tenor means, with respect to a SOFR Benchmark Replacement, a tenor (including overnight) having approximately the same length (disregarding any applicable Business Day Convention) as the applicable tenor for the then-current SOFR Benchmark.

Euro-zone means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

Fallback Rate means, where a Permanent Discontinuation Trigger for an Applicable Benchmark Rate has occurred, the rate that applies to replace that Applicable Benchmark Rate in accordance with Condition 6.2(i) (*AMTN Benchmark Rate fallback*).

Final Fallback Rate means, in respect of an Applicable Benchmark Rate, the rate:

(a) determined by the Calculation Agent as a commercially reasonable alternative for the Applicable Benchmark Rate taking into account all available information that, in good faith, it considers relevant, provided that any rate (inclusive of any spreads or adjustments) implemented by central counterparties and / or futures exchanges with representative trade volumes in derivatives or futures referencing the Applicable Benchmark Rate will be deemed to be acceptable for the purposes of this paragraph (a), together with (without double counting) such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for Benchmark Rate-linked floating rate notes at such time (together with such other adjustments to the Business Day Convention, interest determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for Benchmark Rate-linked floating rate notes at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread determined by the Calculation Agent (in consultation with the Issuer) to be appropriate; provided that

(b) if and for so long as no such successor rate or alternative rate can be determined in accordance with paragraph (a), the Final Fallback Rate will be the last provided or published level of that Applicable Benchmark Rate.

Independent Adviser means an independent financial institution of international repute or other independent financial adviser of recognised standing and with appropriate expertise, in each case appointed by the Issuer at its own expense.

Interest Commencement Date means the Issue Date or such other date as may be specified in the applicable Final Terms.

Interest Determination Business Day means, unless otherwise specified hereon, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Specified Currency in London.

Interest Determination Date means:

(a) in respect of Notes other than AMTNs: with respect to a Rate of Interest and Interest Period, the date specified as such in the applicable Final Terms or, if none is so specified, (i) the first day of such Interest Period if the Specified Currency is Sterling or (ii) the day falling two Interest Determination Business Days prior to the first day of such Interest Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Period if the Specified Currency is euro; and

(b) in respect of AMTNs: in respect of an Interest Period:

(i) where the BBSW Rate applies or the Final Fallback Rate applies under paragraph (iv)(C) of Condition 6.2(i) (*AMTN Benchmark rate fallback*), the first day of that Interest Period; and

(ii) otherwise, the fifth Business Day prior to the last day of that Interest Period,

subject in each case to adjustment in accordance with the applicable Business Day Convention.

ISDA Definitions has the meaning given to it in Condition 6.2(b)(i).

ISDA Fallback Adjustment means, with respect to any ISDA Fallback Rate, the spread adjustment, which may be a positive or negative value or zero, that would be applied to such ISDA Fallback Rate in the case of derivative transactions referencing the ISDA Definitions that will be effective upon the occurrence of an index cessation event with respect to the then-current SOFR Benchmark for the applicable tenor.

ISDA Fallback Rate means, with respect to the then-current SOFR Benchmark, the rate that would apply for derivative transactions referencing the ISDA Definitions that will be effective upon the occurrence of an index cessation date with respect to the then-current SOFR Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

London Banking Day or **LBD** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

Non-Representative means, in respect of an Applicable Benchmark Rate, that the Supervisor of that Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate:

(a) has determined that such Applicable Benchmark Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark Rate is intended to measure and that representativeness will not be restored; and

(b) is aware that such determination will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such Supervisor (howsoever described) in contracts.

p means:

(a) where the Reference Rate is Compounding SONIA, the number of London Banking Days included in the SONIA Observation Look-Back Period, as specified in the applicable Final Terms, being at least 5 LBD; or

(b) where the Reference Rate is Compounding SOFR, the number of U.S. Government Securities Business Days included in the SOFR Observation Shift Period, as specified in the applicable Final Terms, being at least 5 Business Days.

Permanent Discontinuation Trigger means, in respect of an Applicable Benchmark Rate:

(a) a public statement or publication of information by or on behalf of the Administrator of the Applicable Benchmark Rate announcing that it has ceased or that it will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;

(b) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate, the Reserve Bank of Australia (or any successor central bank for Australian dollars), an insolvency official or resolution authority with jurisdiction over the Administrator of the Applicable Benchmark Rate or a court or an entity with similar insolvency or resolution authority over the Administrator of the Applicable Benchmark Rate which states that the Administrator of the Applicable Benchmark Rate has ceased or will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate and a public statement or publication of information other than by the Supervisor, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;

(c) a public statement by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate, as a consequence of which the Applicable Benchmark Rate will be prohibited from being used either generally, or in respect of the Notes, or that its use will be subject to restrictions or adverse consequences to the Issuer or a Noteholder;

(d) as a consequence of a change in law or directive arising after the Issue Date of the first Tranche of Notes of a Series, it has become unlawful for the Calculation Agent, the Issuer or any other party responsible for calculations of interest under the Conditions to calculate any payments due to be made to any Noteholder using the Applicable Benchmark Rate;

(e) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate, stating that the Applicable Benchmark Rate is Non-Representative; or

(f) the Applicable Benchmark Rate has otherwise ceased to exist or be administered on a permanent or indefinite basis.

Permanent Fallback Effective Date means, in respect of a Permanent Discontinuation Trigger for an Applicable Benchmark Rate:

(a) in the case of paragraphs (a) and (b) of the definition of "Permanent Discontinuation Trigger", the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided and is no longer published or provided;

(b) in the case of paragraphs (c) and (d) of the definition of "Permanent Discontinuation Trigger", the date from which use of the Applicable Benchmark Rate is prohibited or becomes subject to restrictions or adverse consequences or the calculation becomes unlawful (as applicable);

(c) in the case of paragraph (e) of the definition of "Permanent Discontinuation Trigger", the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided but is Non-Representative by reference to the most recent statement or publication contemplated in that paragraph and even if such Applicable Benchmark Rates continues to be published or provided on such date; or

(d) in the case of paragraph (f) of the definition of "Permanent Discontinuation Trigger", the date that event occurs.

Publication Time means:

(a) in respect of the BBSW Rate, 12.00 pm (Sydney time) or any amended publication time for the final intraday refix of such rate specified by the Administrator for the BBSW Rate in its benchmark methodology; and

(b) in respect of AONIA, 4.00 pm (Sydney time) or any amended publication time for the final intraday refix of such rate specified by the Administrator for AONIA in its benchmark methodology.

Rate of Interest means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the applicable Final Terms.

Reference Banks means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuer and notified in writing to the Calculation Agent or as specified in the applicable Final Terms.

Reference Rate means the rate specified as such in the applicable Final Terms.

RBA Recommended Fallback Rate has the same meaning given to AONIA Rate but with necessary adjustments to substitute all references to AONIA with corresponding references to the RBA Recommended Rate.

RBA Recommended Rate means, in respect of any relevant day (including any day "i"), the rate (inclusive of any spreads or adjustments) recommended as the replacement for AONIA by the Reserve Bank of Australia (which rate may be produced by the Reserve Bank of Australia or another administrator) and as provided by the Administrator of that rate or, if that rate is not provided by the Administrator thereof, published by an authorised distributor in respect of that day.

Relevant Governmental Body means the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York or any successor thereto.

Relevant Nominating Body means, in respect of a reference rate:

(a) the central bank for the currency to which the reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate; or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the reference rate relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate, (iii) a group of the aforementioned central banks or other supervisory authorities, or (iv) the Financial Stability Board or any part thereof.

Relevant Screen Page means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Final Terms (or any successor or replacement page, section, caption, column or other part of a particular information service).

Relevant Time means:

(a) where the Reference Rate is Compounding SONIA, 10:00 a.m., London time, or such other time as is specified in the applicable Final Terms; or

(b) where the Reference Rate is Compounding SOFR, 3:00 p.m., New York City time or such other time as is specified in the applicable Final Terms.

SOFR means, in respect of any U.S. Government Securities Business Day, the daily secured overnight financing rate for such U.S. Government Securities Business Day as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate).

SOFR Administrator means the Federal Reserve Bank of New York (or a successor administrator of the daily Secured Overnight Financing Rate or the SOFR Index, as applicable).

SOFR Administrator's Website means the website of the Federal Reserve Bank of New York, or any successor source.

SOFR Benchmark means SOFR, provided that if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to SOFR or such other then-current SOFR Benchmark, then "SOFR Benchmark" means the applicable SOFR Benchmark Replacement.

SOFR Benchmark Replacement means, with respect to the then-current SOFR Benchmark, the first alternative set forth in the order presented below that can be determined by the SOFR Benchmark Replacement Agent, if any, as of the SOFR Benchmark Replacement Date with respect to the then-current SOFR Benchmark:

(a) the sum of: (i) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current SOFR Benchmark for the applicable Corresponding Tenor and (ii) the SOFR Benchmark Replacement Adjustment;

(b) the sum of (i) the ISDA Fallback Rate and (ii) the SOFR Benchmark Replacement Adjustment; or

(c) the sum of: (i) the alternate rate of interest that has been selected by the SOFR Benchmark Replacement Agent, if any, as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (ii) the SOFR Benchmark Replacement Adjustment, provided that, (A) if the SOFR Benchmark Replacement Agent determines that there is an industry-accepted replacement rate of interest for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time, it shall select such industry-accepted rate, and (B) otherwise, it shall select such rate of interest that it has determined is most comparable to the then-current Benchmark, and the SOFR Benchmark Replacement Adjustment.

SOFR Benchmark Replacement Adjustment means, with respect to any SOFR Benchmark Replacement, the first alternative set forth in the order below that can be determined by the SOFR Benchmark Replacement Agent as of the SOFR Benchmark Replacement Date with respect to the then-current Benchmark:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, which may be a positive or negative value or zero, that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(b) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(c) the spread adjustment, which may be a positive or negative value or zero, that has been selected by the SOFR Benchmark Replacement Agent to be applied to the applicable Unadjusted SOFR Benchmark Replacement in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the then-current SOFR Benchmark with such Unadjusted SOFR Benchmark Replacement for the purposes of determining the SOFR Reference Rate, which spread adjustment shall be consistent with any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, applied to such Unadjusted SOFR Benchmark Replacement where it has replaced the then-current SOFR Benchmark for U.S. dollar denominated floating rate notes at such time.

SOFR Benchmark Replacement Agent means any institution or person that has been appointed by the Issuer to make the calculations and determinations to be made by the SOFR Benchmark Replacement Agent described herein so long as such institution or person is a leading bank or other financial institution or a person with appropriate expertise, in each case that is experienced in such calculations and determinations. The Issuer may elect, but is not required, to appoint a SOFR Benchmark Replacement Agent at any time. The Issuer will notify the Noteholders of any such appointment in accordance with Condition 15.

SOFR Benchmark Replacement Date means, with respect to the then-current SOFR Benchmark, the earliest to occur of the following events with respect thereto:

(a) in the case of sub-paragraph (a) or (b) of the definition of SOFR Benchmark Transition Event, the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the SOFR Benchmark permanently or indefinitely ceases to provide the SOFR Benchmark; or

(b) in the case of sub-paragraph (c) of the definition of SOFR Benchmark Transition Event, the date of the public statement or publication of information referenced therein.

If the event giving rise to the SOFR Benchmark Replacement Date occurs on the same day as, but earlier than, the Relevant Time in respect of any determination, the SOFR Benchmark Replacement Date will be deemed to have occurred prior to the Relevant Time for such determination.

SOFR Benchmark Transition Event means, with respect to the then-current SOFR Benchmark, the occurrence of one or more of the following events with respect thereto:

(a) a public statement or publication of information by or on behalf of the administrator of the SOFR Benchmark announcing that such administrator has ceased or will cease to provide the SOFR Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark;

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark, the central bank for the currency of the SOFR Benchmark, an insolvency official with jurisdiction over the administrator for the SOFR Benchmark, a resolution authority with jurisdiction over the administrator for the SOFR Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the SOFR

Benchmark, which states that the administrator of the SOFR Benchmark has ceased or will cease to provide the SOFR Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark; or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark announcing that the SOFR Benchmark is no longer representative.

SOFR Index means, in respect of any U.S. Government Securities Business Day, the compounded daily SOFR rate for such U.S. Government Securities Business Day as published by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the SOFR Administrator's Website.

SOFR Index value means, in respect of any U.S. Government Securities Business Day, the value of the SOFR Index published for such U.S. Government Securities Business Day as such value appears on the by the SOFR Administrator's Website at the Relevant Time on such U.S. Government Securities Business Day.

SOFR Observation Period means, in respect of any Interest Period, the period from (and including) the date falling "p" U.S. Government Securities Business Days prior to the first day of such Interest Period to (but excluding) the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period).

SOFR Observation Shift Period is as specified in the applicable Final Terms.

SOFR Reference Rate means, in respect of any U.S. Government Securities Business Day:

(a) rate equal to SOFR for such U.S. Government Securities Business Day appearing on the SOFR Administrator's Website on or about the Relevant Time on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day;

(b) if SOFR in respect of such U.S. Government Securities Business Day does not appear as specified in paragraph (a) above, unless the SOFR Benchmark Replacement Agent, if any, determine that a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to SOFR on or prior to the Relevant Time on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day, SOFR in respect of the last U.S. Government Securities Business Day for which such rate was published on the SOFR Administrator's Website; or

(c) if the SOFR Benchmark Replacement Agent determines that a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to the then-current SOFR Benchmark on or prior to the Relevant Time on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day (or, if the then-current SOFR Benchmark is not SOFR, on or prior to the Relevant Time on the Alternative Relevant Date), then (subject to the subsequent operation of this paragraph (c)) from (and including) the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day (or the Alternative Relevant Date, as applicable) (the "Affected Day"), the SOFR Reference Rate shall mean, in respect of any U.S. Government Securities Business Day, the applicable SOFR Benchmark Replacement for such U.S. Government Securities Business Day appearing on, or obtained from, the Alternative Relevant Source at the Alternative Relevant Time on the Alternative Relevant Date.

SONIA has the meaning given to it in the definition of SONIA Reference Rate.

SONIA Compounded Index means, in respect of any London Banking Day, the compounded daily SONIA rate for such London Banking Day as published by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source on which the compounded daily SONIA rate is published by the Bank of England (or a successor administrator of SONIA), at the Relevant Time on such London Banking Day.

SONIA Observation Look-Back Period means the period specified as such in the applicable Final Terms.

SONIA Observation Period means, in respect of any Interest Period, the period from (and including) the date falling p London Banking Days prior to the first day of such relevant Interest Period to (but excluding) the date falling p London Banking Days prior to the Interest Payment Date for such Interest Period or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period).

SONIA Reference Rate means, in respect of any London Banking Day, the daily Sterling Overnight Index Average (**SONIA**) rate for such London Banking Day as provided by the Bank of England (or a successor administrator of SONIA) to authorised distributors (the **SONIA authorised distributors**) and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by the SONIA authorised distributors) on the London Banking Day immediately following such London Banking Day; provided that if, in respect of any London Banking Day, the applicable SONIA Reference Rate is not made available on the Relevant Screen Page or has not otherwise been published by the SONIA authorised distributors by 5.00 p.m. London time, then (unless the Calculation Agent has been notified of any Successor Rate or Alternative Rate (and any related Adjustment Spread and/or Benchmark Amendments) pursuant to Condition 14 below, if applicable) the SONIA Reference Rate in respect of such London Banking Day shall be:

(a) the sum of (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at 5.00 p.m. London time (or, if earlier, close of business) on such London Banking Day; and (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and the lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or

(b) if the Bank Rate described in sub-clause (a) above is not available at such time on such London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the SONIA authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the SONIA authorised distributors).

Specified Currency means the currency specified as such in the applicable Final Terms or, if none is specified, the currency in which the Notes are denominated.

Successor Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

Supervisor means, in respect of an Applicable Benchmark Rate, the supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate, or any committee officially endorsed or convened by any such supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate.

Supervisor Recommended Rate means the rate formally recommended for use as the temporary replacement for the BBSW Rate by the Supervisor of the BBSW Rate.

TARGET System means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

Temporary Disruption Trigger means, in respect of any Applicable Benchmark Rate which is required for any determination:

(a) the Applicable Benchmark Rate has not been published by the applicable Administrator or an authorised distributor and is not otherwise provided by the Administrator, in respect of, on, for or by the time and date on which that Applicable Benchmark Rate is required; or

(b) the Applicable Benchmark Rate is published or provided but the Calculation Agent determines that there is an obvious or proven error in that rate.

6.3 Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

6.4 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

6.5 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15 (*Notices*).

6.6 Business Day Convention

If a Business Day Convention is specified in the applicable Final Terms and (x) there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii) (*Interest Payment Dates*) above, the **Floating Rate Convention**, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (b)(ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the **Following Business Day Convention**, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the **Modified Following Business Day Convention**, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the **Preceding Business Day Convention**, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Melbourne and each Additional Business Centre specified in the applicable Final Terms; and

(b) either (i) in relation to any sum payable in a Specified Currency other than euro, (x) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than Singapore and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) and (y) a day (other than a Saturday, Sunday or public holiday) on which the CMU is operating in the case of Notes to be cleared through the CMU or (ii) in relation to any sum payable in euro, a day on which the TARGET System is open.

7. PAYMENTS

7.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to

Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9 (*Taxation*)) any law implementing an intergovernmental approach thereto.

7.2 Presentation of Definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of Definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 7.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 7.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer Note to which it appertains. Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Note.

7.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Bearer Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

None of the Issuer, the Guarantors, the Trustee, the Paying Agents, the Transfer Agents or the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Bearer Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.4 Payments in respect of Registered Notes

This Condition 7.4 does not apply to AMTNs.

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder (or first named of joint holders) with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note will be made to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the 15th day (whether or not such 15th day is a business day) before the relevant due date (the **Record Date**) at such address shown in the Register on the Record Date. So long as any Global Registered Note is held on behalf of Euroclear and/or Clearstream, Luxembourg or the CMU, each payment will be made to (in the case of any Global Registered Note held on behalf of Euroclear and/or Clearstream, Luxembourg) the person shown as the holder on the Register or (in the case of any Global Registered Note held on behalf of the CMU) to the person(s) for whose account(s) interests in the relevant Global Registered Note are credited (as set out in a CMU Issue Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where **Clearing System Business Day** means a day on which the relevant clearing system for which the Global Note Certificate is being held is open for business. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer, the Guarantors, the Trustee, the Paying Agents, the Transfer Agents or the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantors will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of CDP, the CMU, Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to CDP, the CMU, Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantors to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantors, adverse tax consequences to the Issuer or the Guarantors.

If a payment cannot be made in accordance with this Condition 7 because appropriate account details have not been provided, the Issuer has no obligation to make the payment until the Paying Agent has received those details together with a claim for payment and evidence to its satisfaction of the entitlement of the payee. No interest or other amount will be payable in respect of the delay.

Except as provided in the Trust Deed, no person other than the Trustee shall be entitled to enforce any obligation of the Issuer or the Guarantor to make any payment in respect of the Notes.

7.6 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 10 (*Prescription*)) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(i) the relevant place of presentation;

(ii) Melbourne and Sydney; and

(iii) each Additional Financial Centre specified in the applicable Final Terms; and

(b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

7.7 Payments in respect of AMTNs

Payments of principal and interest in respect of AMTNs will be made in Australian dollars to the persons registered in the Register on the relevant Record Date (as defined below) as the holders of such AMTNs or (if so required by the Trustee by notice in writing following the occurrence of an Event of Default or Potential Event of Default or following receipt by the Trustee of any money which it proposes to pay under Clause 10 of the Trust Deed) to the Trustee. Payments to holders in respect of each AMTN will be made: (i) if the AMTN is held by Austraclear and entered in the Austraclear System, by crediting on the relevant Interest Payment Date, the Maturity Date or other date on which payment is due the amount then due to the account or accounts to which payments should be made in accordance with the Austraclear Regulations or as otherwise agreed with Austraclear; and (ii) if the AMTN is not held by Austraclear and entered in the Austraclear System, by crediting on the Interest Payment Date, the Maturity Date or other date on which payment is due, the amount then due to an account in Australia previously notified by the Noteholder(s) of the AMTN to the Issuer and the Registrar.

Payment of an amount due in respect of an AMTN to the holder or otherwise in accordance with this Condition or to the Trustee discharges the obligation of the Issuer to all persons to pay that amount.

Payments will for all purposes be taken to be made when the Issuer or the Agent gives irrevocable instructions for the making of the relevant payment by electronic transfer, being instructions which would be reasonably expected to result, in the ordinary course of banking business, in the funds transferred reaching the account to which the payment is to be made on the same day as the day on which the instructions are given.

If, following the application of Condition 7.6 (*Payment Day*), a payment is due to be made under an AMTN to an account on a Payment Day on which banks are not open for general banking business in the city in which the account is located, the Noteholder is not entitled to payment of such amount until the next Payment Day on which banks in such city are open for general banking business and is not entitled to any interest or other payment in respect of any such delay.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto but without prejudice to the provisions of Condition 9 (*Taxation*).

In this Condition 7.7 in relation to AMTNs, **Record Date** means, in the case of payments of principal or interest, close of business on the date which is the eighth calendar day before the due date for the relevant payment of principal or interest.

7.8 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 9 (*Taxation*);

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Notes redeemable in instalments, the Instalment Amounts;

(f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8.5 (*Early Redemption Amounts*); and

(g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9 (*Taxation*).

8. REDEMPTION AND PURCHASE

8.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

8.2 Redemption for tax reasons

The Issuer may fix as the date for redemption of the Notes in whole, but not in part, any date prior to the Maturity Date (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Agent and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall be irrevocable), if:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) or any of the Guarantors would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the Issuer or, as the case may be, the relevant Guarantor(s) taking reasonable measures available to them,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantors would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer or, as the case may be, two Directors of the relevant Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantors has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 8.2 (*Redemption for tax reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 8.5 (*Early Redemption Amount*) below together (if appropriate) with interest accrued to (but excluding) the date fixed for redemption.

8.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

(a) not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 15 (*Notices*); and

(b) not less than five Business Days before the giving of the notice referred to in (a) above, notice to the Trustee and to the Agent and, in the case of a redemption of Registered Notes or AMTNs, the applicable Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), fix as a date for redemption of all or some only of the Notes then outstanding any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant

Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Definitive Bearer Notes or Definitive Registered Notes or AMTNs, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot (in such place as the Agent in the case of Bearer Notes, or the relevant Registrar, in the case of Registered Notes, may approve and in such manner as the Trustee shall deem to be appropriate and fair) not more than 60 days prior to the date fixed for redemption and a list of Notes called for redemption will be given notice in accordance with Condition 15 (*Notices*) not less than 30 days prior to such date fixed for redemption (such date of selection being hereinafter called the Selection Date). In the case of partial redemption of Bearer Notes which are represented by a Bearer Global Note or of Registered Notes represented by a Registered Global Note, the relevant Notes will be selected in accordance with the rules of CDP and/or the CMU and/or Euroclear and/or Clearstream, Luxembourg (as applicable). If only some of the Notes then outstanding are to be so redeemed, the Optional Redemption Amount (after accounting for any interest accrued to (but excluding) the relevant Optional Redemption Date) shall be an amount that is (A) equal to or greater than the Minimum Redemption Amount and (B) equal to or less than the Maximum Redemption Amount.

In the case of Redeemed Notes represented by definitive Notes or in the form of AMTNs, a list of the serial numbers (or other identifying details in the case of AMTNs) of such Redeemed Notes will be published in accordance with Condition 15 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 (*Notices*) at least five days prior to the Selection Date.

8.4 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 15 (*Notices*) not less than 30 nor more than 60 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes or AMTNs may be redeemed under this Condition 8.4 (*Redemption at the option of the Noteholders*) in any multiple of their Specified Denomination. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside CDP, the CMU, Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (*Transfers of Registered Notes in definitive form*). If this Note is a Definitive Bearer Note, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through CDP, the CMU, Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of CDP, the CMU, Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by CDP, the CMU, Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to CDP, the CMU, Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of CDP, the CMU, Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 8.4 (*Redemption at the option of the Noteholders*) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 11 (*Events of Default and Enforcement*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 8.4 (*Redemption at the option of the Noteholders*) and instead to declare such Note forthwith due and payable pursuant to Condition 11 (*Events of Default and Enforcement*).

For the avoidance of doubt, the provisions of this Condition in relation to Registered Notes apply equally to AMTNs, except that it shall not be necessary to deposit a certificate in connection with the exercise of this option in respect of an AMTN.

8.5 Early Redemption Amounts

For the purpose of Condition 8.2 (*Redemption for tax reasons*) above and Condition 11 (*Events of Default and Enforcement*), each Note will be redeemed at its Early Redemption Amount calculated as follows unless otherwise specified in the applicable Final Terms:

(a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated by the Calculation Agent in accordance with the following formula:

$$\text{Early Redemption Amount} = RP \times (1 + AY)^{y}$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

8.6 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8.5 (*Early Redemption Amounts*).

8.7 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

8.8 Purchases

The Issuer, any of the Guarantors and any of the other Subsidiaries of the Issuer may at any time purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. All Notes so purchased may be held or resold in accordance with all applicable laws and regulations or, at the option of the Purchaser, cancelled (including, if required, surrendered to a Paying Agent for cancellation).

8.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 8.8 (*Purchases*) above (together with, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

Cancellation of an AMTN will be taken to have occurred upon redemption of the Note or an entry being made in the Register that the Note has been redeemed or cancelled or transferred to the Issuer.

8.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 8.1 (*Redemption at maturity*), 8.2 (*Redemption for tax reasons*), 8.3 (*Redemption at the option of the Issuer (Issuer Call)*) or 8.4 (*Redemption at the option of the Noteholders (Investor Put)*) above or upon its becoming due and repayable as provided in Condition 11 (*Events of Default and Enforcement*) is improperly withheld or refused, the amount due and repayable in respect of such Zero

Coupon Note shall be the amount calculated as provided in Condition 8.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 15 (*Notices*).

9. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer or the Guarantors will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantors will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon (including, where the Tax Jurisdiction is the Commonwealth of Australia, his being resident in Australia or having a permanent establishment in Australia);

(b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on , in the case of a Note (other than an AMTN), presenting the same for payment on, or in the case of an AMTN, a claim for payment being made after, such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.6 (*Payment Day*));

(c) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union;

(d) presented for payment on account of any present or future taxes, levies, imports, duties, fees, assessments or other governmental charges of whatever nature, imposed by Australia or by any department, agency or other political sub-division or taxing authority thereof or therein, and all interest, penalties or similar liabilities with respect thereto (**Taxes**) which are payable by reason of the Noteholder being an associate of the Issuer for the purposes of section 128F(6) of the Tax Act;

(e) to the extent that the payee (a) is treated as a resident (for the purposes of the relevant double taxation agreement) in a jurisdiction having a double taxation agreement with the relevant jurisdiction of the holder giving complete exemption from Taxes otherwise imposed by such jurisdiction on the payment and (b) is not excluded from the benefit of such exemption;

(f) where such withholding or deduction is required as a result or by reason of a Noteholder's failure to quote a tax file number, an Australian Business Number or proof of some other exemption;

(g) where such withholding or deduction is imposed pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended; or

(h) where such withholding or deduction is imposed pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, or otherwise imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement).

As used herein:

(i) **Tax Jurisdiction** means the Commonwealth of Australia and any other jurisdiction of incorporation of a Guarantor (in the case of payment by the Issuer and a Guarantor, as the case may be) or, in each case, any political subdivision or any authority thereof or therein having power to tax; and

(ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15 (*Notices*).

If any Noteholder becomes aware that it may be an "associate" (as defined in section 128F(9) and section 318 of the Tax Act) of the Issuer, that Noteholder agrees to act in good faith to inform and assist the Issuer to mitigate the risk of any Australian interest withholding tax applying to interest payments on the Notes.

10. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment (or, in the case of AMTNs, unless a claim for payment is made) within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7.2 (*Presentation of Definitive Bearer Notes, Receipts and Coupons*) or any Talon which would be void pursuant to Condition 7.2 (*Presentation of Definitive Bearer Notes, Receipts and Coupons*).

11. EVENTS OF DEFAULT AND ENFORCEMENT

11.1 Events of Default

The Trustee if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured to its satisfaction) (but in the case of the happening of any of the events described in paragraphs (b), (d) and (f) below, only if the Trustee shall have certified in writing to the Issuer and the Guarantors that such event is, in its opinion, materially prejudicial to the interests of the Noteholders) give notice in writing to the Issuer and the Guarantors that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each, subject, in the case of paragraphs (b), (d) and (f) below, to the giving of such certificate, an **Event of Default**) shall occur:

(a) default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or

(b) the Issuer fails to pay any amount in respect of any Notes other than principal or interest, or the Issuer or a Guarantor otherwise fails to perform or observe any of its other obligations under the Conditions or the Trust Deed and the failure continues for the period of 30 Business Days next following the service by the Trustee on the Issuer or the Guarantors (as the case may be) of notice requiring the same to be remedied; or

(c) an Insolvency Event (as defined below) occurs in respect of the Issuer or any Guarantor; or

(d) (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any Guarantor becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any Guarantor fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment after giving effect to the applicable grace period; or (iii) default is made by the Issuer or any Guarantor in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, provided that no event falling within sub-paragraphs (i) to (iii) above shall constitute an Event of Default unless the relative Indebtedness for Borrowed Money relative to all (if any) other such events which have occurred and are continuing shall amount to at least A$75,000,000 (or its equivalent in any other currency or currencies); or

(e) any final judgment (that is, one which has been conceded or which is either not able to be appealed or one in which an appeal may be made but the time to make an appeal has lapsed without such appeal) is enforced against any property of the Issuer or any Guarantor for an amount exceeding A$75,000,000 (or its equivalent in any other currency or currencies) and which is reasonably likely to have a material adverse effect on the Issuer's or any Guarantor's ability to meet its financial and other material obligations under any of the Notes or the Trust Deed, and such judgment is not satisfied (other than by such enforcement), discharged or a stay of execution is not obtained, within 30 Business Days; or

(f) any of the Notes or the Trust Deed is or becomes wholly or in a material part void, voidable or unenforceable or any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done by the Issuer or a Guarantor in order to ensure that the respective obligations of the Issuer or any of the Guarantors under the Notes or the Trust Deed, are valid, legally binding and enforceable is not taken, fulfilled or done, and in any case that situation is not remedied within 30 Business Days following the service by the Trustee on the Issuer or the Guarantors (as the case may be) of notice requiring the same to be remedied; or

(g) any government expropriation, attachment, sequestration, distress or execution affects, or an encumbrancer takes possession of any part of the asset or assets of the Issuer or any Guarantor where (i) such an event would have a material adverse effect on the Issuer's ability to meet its financial and other material obligations under any of the Notes or the

Trust Deed and (ii) the value of all such asset(s) exceeds, in the aggregate, A$75,000,000 (or its equivalent in any other currency or currencies) and is not discharged within 10 Business Days; or

(h) if any event occurs which, under the laws of any relevant jurisdiction, has, an analogous effect to any of the events referred to in paragraphs (c) to (g) above.

In the Conditions, the following expressions have the following meanings:

Indebtedness for Borrowed Money means any indebtedness for money borrowed now or hereafter existing and any liabilities under any bond, note, bill, loan, stock or other security, in each case issued for cash or in respect of acceptance credit facilities or as consideration for assets or services, but excluding such liabilities incurred in relation to the acquisition of goods or services in the ordinary course of business of the Person incurring such liabilities; and

Insolvency Event means, in respect of any body corporate, the happening of any of the following events:

(a) an order is made that it be wound up except to reorganise, reconstruct or amalgamate while solvent;

(b) except to reorganise, reconstruct or amalgamate while solvent, an application is made to a court for an order appointing a liquidator or provisional liquidator in respect to it (unless the application is stayed, withdrawn or dismissed within 45 days);

(c) except to reorganise, reconstruct or amalgamate while solvent, a liquidator is appointed in respect of the body corporate, whether or not under a court order, unless, where a liquidator is appointed to the Issuer or a Guarantor, the appointment is stayed, withdrawn, dismissed or terminated within 10 Business Days;

(d) except to reorganise, reconstruct or amalgamate while solvent, it enters into, or resolves to enter into, a scheme of arrangement, deed of company arrangement or composition with, or assignment of the benefit of, all or any class of its creditors, or it proposes a reorganisation, moratorium or other administration involving any of them where such an event would have a material adverse effect on the Issuer's or any Guarantor's ability to meet its financial and other material obligations under any of the Notes or the Trust Deed;

(e) except to reorganise, reconstruct or amalgamate while solvent, an entity resolves to wind itself up, or to otherwise dissolve itself, or is otherwise wound up or dissolved;

(f) an entity is found or declared by a court to be insolvent or becomes insolvent within the meanings of sections 95A(1) and (2) of the Corporations Act;

(g) a controller (as defined in the Corporations Act) is appointed to or over all or a substantial part of the property of the Issuer or any Guarantor where the value of all property in respect of which such appointment is made exceeds A$75,000,000 (or its equivalent in any other currency or currencies);

(h) an administrator (as defined in the Corporations Act) is appointed to an entity, unless, where an administrator is appointed to the Issuer or a Guarantor, the appointment is stayed, withdrawn, dismissed or terminated within 10 Business Days; or

(i) anything analogous or having substantially similar effect to any of the events specified above happened under the law of any applicable jurisdiction.

11.2 Enforcement

At any time after the Notes or any of them have become immediately due and repayable and have not been repaid the Trustee may at any time, at its discretion and without notice, institute such proceedings against the Issuer and/or any Guarantor as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to institute any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured to its satisfaction.

No Noteholder, Receiptholder or Couponholder shall be entitled (whether before or after an Event of Default) to proceed directly against the Issuer or any Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

12. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Bearer Note, Receipt, Coupon, Talon or certificate evidencing a Registered Note be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent, or as the case may be, the Registrar, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity

(including security) as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons, Talons or certificates must be surrendered before replacements will be issued.

13. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices in the case of a Bearer Note and the name and initial specified office of the initial Registrar in the case of a Registered Note are set out below or, in the case of AMTNs, in the applicable Final Terms.

The Issuer is entitled, with the prior written approval of the Trustee (such approval not to be unreasonably withheld), to vary or terminate the appointment of the Registrar or any Paying Agent and/or appoint additional or other Paying Agents, Registrar or Transfer Agents and/or approve any change in the specified office through which any Paying Agent and/or Registrar and/or Transfer Agent acts, provided that:

(a) there will at all times be an Agent;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

(c) there will at all times be a Registrar and (except in relation to AMTNs) a Transfer Agent which, so long as Registered Notes or AMTNs are listed on any stock exchange or admitted to listing by any other relevant authority, will have a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(d) so long as the Notes (except in relation to AMTNs) are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that any of the Global Notes are exchanged for Notes in definitive form, there will at all times be a Paying Agent in Singapore. In addition, an announcement of such exchange will be made through the SGX-ST. Such announcement will include all material information with respect to the delivery of the Definitive Notes, including details of the Paying Agent in Singapore.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7.5 (*General provisions applicable to payments*). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 15 (*Notices*).

In acting under the Agency Agreement or the Australian Agency Agreement, the Paying Agents act solely as agents of the Issuer and the Guarantors and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement and the Australian Agency Agreement contain provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

14. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10 (*Prescription*).

15. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in the relevant place(s) specified in the applicable Final Terms. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices to holders of Registered Notes or AMTNs will be deemed validly given if mailed to their registered addresses appearing on the register. Any such notice shall be deemed to have been given on the third day after the day on which it was mailed. Alternatively, notices to holders of AMTNs may be given by being published in a leading daily newspaper of general circulation in Australia. It is expected that such notices will normally be published in the *Australian Financial Review*. Any such notice will be deemed to have been given on the first date of such publication. In addition, for so long as any Notes are listed on a stock exchange

and the rules of that stock exchange so require, a copy of such notice will be published in a daily newspaper of general circulation in the places required by those rules.

Until such time as any definitive Notes are issued, (1) there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of CDP and/or the CMU and/or Euroclear and/or Clearstream, Luxembourg, be substituted for such mailing or publication in such newspaper(s) the delivery of the relevant notice to CDP and/or the CMU and/or Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes (2) there may, so long as any Global Notes representing the Notes is lodged with a sub-custodian for the CMU, notices to holders represented by the Global Note may be given by delivery of the relevant notice to each relevant accountholder via the CMU (3) and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to CDP and/or Euroclear and/or Clearstream, Luxembourg and/or the CMU.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relevant Note or Notes, with the Agent (in the case of Bearer Notes) or Registrar (in the case of Registered Notes and AMTNs). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent or the Registrar through CDP and/or the CMU and/or Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and CDP and/or the CMU and/or Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

16. MEETINGS OF NOTEHOLDERS; MODIFICATION; WAIVER; SUBSTITUTION; INDEMNIFICATION OF TRUSTEE

16.1 Meetings of Noteholders

The Trust Deed and the Australian Deed Poll (in the case of AMTNs) each contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed or the Australian Deed Poll (as applicable). Such a meeting may be convened by the Issuer, the Guarantors or the Trustee and shall be convened by the Issuer or the Trustee if required in writing by Noteholders holding not less than 10% in nominal amount of the Notes of any Series for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50% in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Conditions, the Notes, the Receipts or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons or modifying the provisions concerning the quorum required at any meeting of the Noteholders or the majority required to pass an Extraordinary Resolution), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

16.2 Modification, Waiver, Substitution

The Trustee may agree, without the consent of the Noteholders of such Series of Notes, Receiptholders or Couponholders, at any time and from time to time with the Issuer and the Guarantors to:

(a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Receipts, the Coupons, the Trust Deed, the Australian Deed Poll, the Deed of Covenant, the Agency Agreement or the Australian Agency Agreement or (without limiting Condition 3.4(c)) the Subordination Deed Poll (or any replacement subordination arrangement) which in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders of such Series of Notes or any Series of Notes, or which is required to comply with mandatory provisions of law; or

(b) any modification of the Notes, the Receipts, the Coupons, the Trust Deed, the Australian Deed Poll, the Deed of Covenant, the Agency Agreement or the Australian Agency Agreement or (without limiting Condition 3.4(c)) the Subordination Deed Poll (or any replacement subordination arrangement) which is, in the reasonable opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the reasonable opinion of the Trustee, proven.

Any such modification may be made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding on the Noteholders of all Series of Notes, the relevant related Receiptholders and the Couponholders and, unless the

Trustee agrees otherwise, any such modification shall be notified to the Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes, the Trust Deed or the Australian Deed Poll, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid.

The Trustee may, without the consent of the Noteholders, Receiptholders or Couponholders, agree with the Issuer and the Guarantors to the substitution in place of the Issuer (or any previous substitute under this Condition) as principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed and (in the case of AMTNs) the Australian Deed Poll of another company being either (i) the Issuer's successor in business, (ii) any Subsidiary of the Issuer, or (iii) any other entity. Such agreement shall be subject to such other conditions as the Trustee may require, including (except where a successor company of the Issuer is the new principal debtor) the guarantee in respect of the Notes by the Issuer and the Notes being guaranteed by the Guarantors or (where the new principal debtor is a Guarantor) by the other Guarantors. The Trustee may also agree without the consent of Noteholder, Receiptholders or Couponholders to the addition of another company as an issuer of Notes under the Programme and the Trust Deed and (in the case of AMTNs) the Australian Deed Poll. Any such addition shall be subject to such other conditions as the Trustee may require. In the case of any proposed substitution or addition, the Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons and/or the Trust Deed, provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination or substitution as aforesaid), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Guarantors, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 9 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 9 (*Taxation*) pursuant to the Trust Deed.

Any such modification, waiver, authorisation, determination or substitution shall be binding on the Noteholders, Receiptholders and the Couponholders and, unless the Trustee otherwise requires, any such modification or substitution shall be notified by the Issuer to the Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

16.3 Indemnification of the Trustee

The Trust Deed and the Agency Agreement contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings unless indemnified and/or secured to its satisfaction.

The Trust Deed contains provisions to which the Trustee or any of its subsidiaries or associated companies is entitled, inter alia, (a) to enter into business transactions with the Issuer and/or any of its subsidiaries and affiliated companies and/or a Guarantor and/or any of its subsidiaries, (b) to exercise and enforce its rights, comply with its obligations, and perform its duties, under or in relation to any such transaction or, as the case may be, any such trusteeship without regard to the interests of the Noteholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trust Deed also provides that the Trustee shall not be bound to take any steps to ascertain whether any Event of Default or Potential Event of Default has occurred including, for the avoidance of doubt, whether all actions, conditions or things (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done by the Issuer or a Guarantor in order to ensure that the respective obligations of the Issuer or any of the Guarantors under the Notes or the Trust Deed, are valid, legally binding and enforceable is not taken, fulfilled or done, and, until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary, the Trustee shall be entitled to assume that no Event of Default or Potential Event of Default has occurred, all such actions, conditions or things required to be taken, fulfilled or done have been taken, fulfilled or done, and that the Issuer and each of the Guarantors are observing and performing all their respective obligations under the Trust Deed.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save

for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing law

(a) The Trust Deed, the Agency Agreement, the Notes (other than the AMTNs), the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons (other than non-contractual obligations arising out of or in connection with the AMTNs) are governed by, and shall be construed in accordance with, English law.

(b) The Australian Deed Poll and the AMTNs are governed by, and shall be construed in accordance with, the laws of New South Wales, Australia.

19.2 Submission to jurisdiction

The Issuer and each of the Guarantors irrevocably agree, for the benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes (other than AMTNs), the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons (other than non-contractual obligations arising out of or in connection with the AMTNs)) and accordingly submits to the jurisdiction of the English courts.

The Issuer and each of the Guarantors hereby irrevocably waive any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee, the Noteholders, the Receiptholders and the Couponholders may take any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Trust Deed, the Notes (other than AMTNs), the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

The AMTNs, the Australian Deed Poll and (unless otherwise specified in the applicable Final Terms) the Australian Agency Agreement will be governed by, and construed in accordance with, the laws in force in New South Wales, Australia, save that the provisions of Condition 11 (*Events of Default and Enforcement*) and Condition 16.1 (*Meetings of Noteholders*) shall be interpreted so as to have the same meaning they would have if governed by English law. In the case of AMTNs, the Issuer has irrevocably agreed for the benefit of Noteholders that the courts of New South Wales, Australia are to have jurisdiction to settle any disputes which may arise out of or in connection with the AMTNs, the Australian Deed Poll and the Australian Agency Agreement and that accordingly any suit, action or proceedings arising out of or in connection with the AMTNs, the Australian Deed Poll or the Australian Agency Agreement (together referred to as **Australian Proceedings**) may be brought in such courts.

The Issuer has irrevocably waived any objection which it may have now or hereafter to the laying of the venue of any Australian Proceedings in any such court and any claim that any such Australian Proceedings have been brought in an inconvenient forum and has further irrevocably agreed that a judgment in any such Australian Proceedings brought in the courts of New South Wales shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

19.3 Appointment of Process Agent

The Issuer and each Initial Guarantor appoints Hackwood Secretaries Limited at its registered office at One Silk Street, London EC2Y 8HQ, England as its agent for service of process, and undertakes that, in the event of Hackwood Secretaries Limited ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

19.4 Waiver of immunity

The Issuer hereby irrevocably and unconditionally waives with respect to the Notes, the Receipts and the Coupons any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

19.5 Other documents and the Guarantors

The Issuer and, where applicable, the Guarantors have in the Trust Deed and the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer to refinance indebtedness of the Group, for capital and operating expenditures and for general corporate purposes of the Group, unless otherwise disclosed in the relevant Final Terms.

DESCRIPTION OF THE ISSUER

1. EXECUTIVE SUMMARY

Overview of SGSPAA Group — Structure and Business Model

The Issuer, SGSP (Australia) Assets Pty Ltd, is 60% owned by SGIDAIC and 40% owned by SPI.

SGIDAIC is 100% owned by SGID. SGID is a wholly owned subsidiary of SGCC and is the platform for undertaking the overseas investment and operations of SGCC.

SPI is wholly owned by SP Group. SP Group is 100% owned by Temasek Holdings (Private) Limited (**Temasek**).

Refer to the "*Skilled and Experienced Shareholders*" section below for details regarding the Issuer's shareholders.

SGSPAA Group owns or has an interest in a portfolio of diversified energy infrastructure assets and related businesses (operated under three brands, being Jemena, Ovida and Zinfra — with partially-owned interests operated under separate brands, United Energy and Evoenergy).

Jemena is an investor in a portfolio of gas and electricity assets which is diversified in terms of geography and markets.

Zinfra is a services business providing services to companies within SGSPAA Group and to third parties. The services business focuses on delivering engineering, design and construction, as well as field based maintenance and operational services across gas and electricity utility infrastructure assets.

Figure 1.(1) SGSPAA Group's Ownership Interests

Business	Interest	Location
Jemena		
(a) Electricity Networks		
Jemena Electricity Distribution Network (**JEN**)	100%	Vic
(b) Gas Networks		
Jemena Gas Distribution Network (**JGN**)	100%	NSW
(c) Gas Pipeline Assets		
Eastern Gas Pipeline (**EGP**)	100%	NSW/Vic
Queensland Gas Pipeline (**QGP**)	100%	Qld
VicHub Interconnect Facility (**VicHub**)	100%	Vic
Colongra Gas Transmission and Storage Facility (**Colongra**)	100%	NSW
Northern Gas Pipeline (**NGP**) & Phillip Creek Compressor Station (**PCCS**)	100%	NT/Qld
Darling Downs Gas Pipelines (**DDP**)	100%	Qld
Atlas Gas Pipeline (**Atlas**)	100%	Qld
Roma North Gas Pipeline (**RNP**)	100%	Qld
(d) Other Gas Assets		
Atlas Gas Processing Facility (**Atlas-PF**)	100%	Qld
Roma North Gas Processing Facility (**RN-PF**)	100%	Qld
Malabar Biomethane Injection Plant (**MBIP**)	100%	NSW
Zinfra	100%	Vic/NSW/ Qld/ NT/ Tas
Other investments		
ActewAGL Distribution Partnership (**Evoenergy**)	50%	ACT
United Energy Distribution Network (**UED**)	34%	Vic
Ovida	100%	Vic/Qld/SA

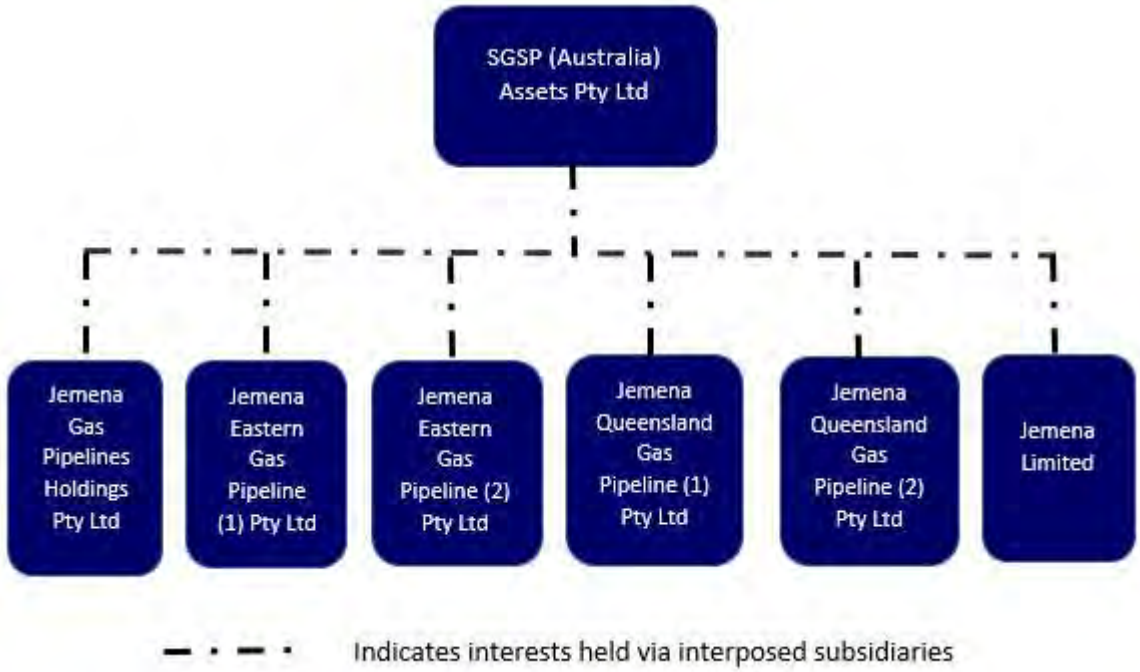
Note: Locations include Victoria (**Vic**); New South Wales (**NSW**); Queensland (**Qld**); Northern Territory (**NT**); South Australia (**SA**); Australian Capital Territory (**ACT**) and Tasmania (**Tas**).

Figure 1.(2) The Group's Assets & Operations (as of 31 December 2025)

Overview of the Issuer and the Initial Guarantors

A structural diagram of the Issuer and the Initial Guarantors is set out below.

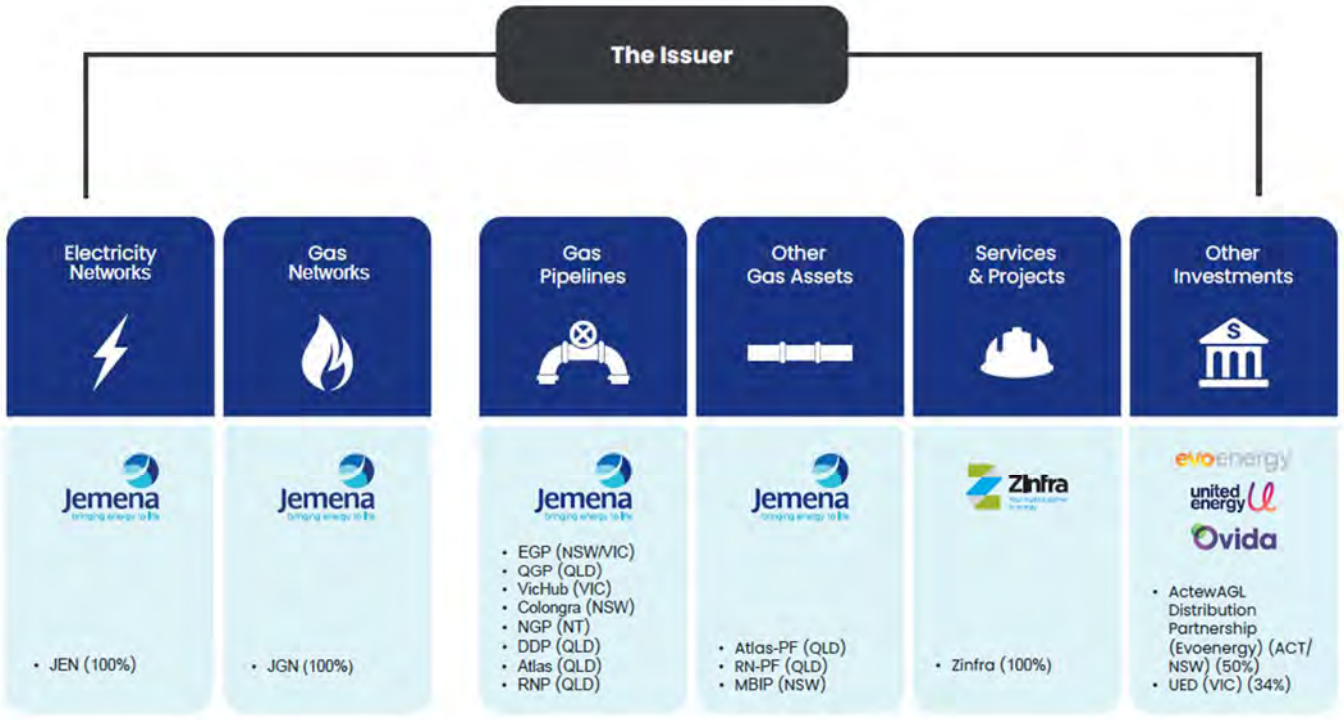
Figure 1.(3) Structure diagram of Issuer and Initial Guarantors



SGSPAA Group's Internal Market Reporting Structure

The following represents SGSPAA Group's current internal management and financial reporting structure, the basis upon which SGSPAA Group is managed, resources allocated and cash flows generated. It also indicates the different brands under which SGSPAA Group's markets and investments operate. It is not a representation of SGSPAA Group's corporate or legal structure.

Figure 1.(4) SGSPAA Group's Market Structure



Note: The above diagram illustrates the principal assets or markets within SGSPAA Group or in which SGSPAA Group holds a significant interest. Some of the principal assets or markets (or SGSPAA Group's interest in them) are owned by interposed subsidiaries of the Issuer.

The Issuer owns or has an interest in a portfolio of energy infrastructure assets (as summarised below).

Networks

Electricity and Gas Networks are markets comprised of SGSPAA Group's 100% owned regulated electricity and gas distribution network assets.

Electricity

*Jemena Electricity Network (**JEN**)*

JEN owns one of the five licensed electricity distribution networks in Victoria (**Vic**) which supplies electricity to over 389,000 homes and businesses via approximately 7,000 kilometres of distribution network. The network services over 950 square kilometres of northwest greater Melbourne.

Gas

*Jemena Gas Network (**JGN**)*

JGN is a gas distribution network in New South Wales (**NSW**) with a history dating back to 1837. JGN typically delivers 80 to 95 petajoules (**PJ**) per annum of natural gas to more than 1.5 million homes and businesses across NSW.

Gas Pipelines

Gas Pipelines is a market comprised of SGSPAA Group's gas transmission pipeline assets.

*(a) Eastern Gas Pipeline (**EGP**)*

EGP transports gas 797 kilometres from the Gippsland Basin in Vic to Sydney and regional centres and has a current capacity of approximately 130 PJ of gas per annum. The first phase of a project (**EGP Reversal Project**) to reverse the section of the EGP from Port Kembla to Longford to enable deliveries of up to 200TJ/d from Port Kembla Energy Terminal into Victoria plus up to an additional 70TJ/d from Orbost was physically completed in Q2 2026.

*(b) Queensland Gas Pipeline (**QGP**)*

The QGP transports gas 627 kilometres from the Surat and Bowen Basins and the Denison Troughs gas fields to Gladstone and Rockhampton in Queensland with a current capacity of approximately 53 PJ of gas per annum.

*(c) VicHub Interconnect Facility (**VicHub**)*

VicHub is a pipeline interconnect situated at Longford, Vic. The facility was commissioned in January 2003 and enables gas to flow between the EGP, the Tasmanian Gas Pipeline (**TGP**) and Australian Pipeline Group's (**APA**) Victorian gas transmission system. The facility has a nominal daily injection capacity of 150 terajoules (**TJ**) per day and a withdrawal capacity of 135 TJ/day. The injection capacity will be increased to 390TJ/d as part of the second phase of the EGP Reversal Project, which is anticipated to be delivered in Q2 2027.

*(d) Colongra Gas Transmission and Storage Facility (**Colongra**)*

Colongra is a 9 kilometre, high pressure gas transmission and storage pipeline, plus a 3.5 kilometre feeder pipeline delivering gas to Snowy Hydro Limited's peaking power station at Munmorah, NSW.

*(e) Northern Territory Gas Pipeline (**NGP**) & Phillip Creek Compressor Station (**PCCS**)*

The NGP is a 623 kilometre pipeline from Tennant Creek in the Northern Territory (**NT**) to Mount Isa in Queensland (**Qld**). Gas from the Bonaparte and Amadeus basins enters the NGP via the Amadeus Gas Pipeline (**AGP**) and is transported to the Carpentaria Gas Pipeline (**CGP**) for supply to Mount Isa gas users and the east coast of Australia gas market. The NGP has a capacity of approximately 33 PJ of gas per annum and commenced commercial operations on 3 January 2019. A project to enable NGP reverse flow (western haul) capability of up to 60TJ/d was completed in 2024.

The PCCS consists of gas compression infrastructure to pressurise gas for transportation through the NGP to Mount Isa, as well as equipment used to reduce nitrogen content to ensure gas meets the specifications for delivery into the CGP (which differs from that of AGP).

In March 2025 the AER granted exemptions from section 140 of the National Gas Law (**NGL**) allowing the sharing of marketing staff between NGP and PCCS, EGP, QGP, DDP, VicHub, Colongra, Atlas Gas Pipeline and Roma North Gas Pipeline. This exemption will continue until 3 January 2034 or the time that the NGP becomes a scheme pipeline, whichever is sooner.

*(f) Darling Downs Transmission Pipeline (**DDP**)*

The DDP consists of three high pressure gas transmission pipelines in Southeast Queensland that stretch from the Darling Downs Power Station, via Wallumbilla to Spring Gully. Collectively, the DDP is 292 kilometres in length and provides capacity that varies from approximately 40TJ/day to 540TJ/day according to the direction of flow and inlet pressure at the receipt points.

*(g) Atlas Gas Pipeline (**Atlas**)*

The Atlas Gas Pipeline is connected to the Atlas Gas Processing Facility and is a 60 kilometre lateral pipeline to transport that gas to the DDP.

*(h) Roma North Gas Pipeline (**RNP**)*

The Roma North Gas Pipeline is a 5.2 kilometre gas pipeline connected to the Roma North Gas Processing facility transporting gas from Senex's 'Roma North' gas field in the Surat Basin in Qld.

Other Gas Assets

Other Gas Assets is a market comprised of SGSPAA Group's gas processing assets.

*(a) Atlas Gas Processing Facility (**Atlas-PF**)*

The Atlas Gas Processing facility consists of a plant which compresses and dehydrates gas from Senex Energy Limited's (**Senex**) 'Atlas' gas field in the Surat Basin in Qld and is connected to the Atlas Gas Pipeline. Resulting from the increased volumes produced from the gas fields adjacent to the 'Atlas' gas fields, the capacity of the Atlas Gas Processing Facility was expanded in late 2022 and now has a capacity of approximately 48TJ/day.

*(b) Roma North Gas Processing Facility (**RN-PF**)*

The Roma North Gas Processing Facility consists of the plant which compressed and dehydrates gas from Senex's 'Roma North' gas field up to 27 TJ/day) and is connected to the Roma North Gas Pipelines.

*(c) Malabar Biomethane Injection Plant (**MBIP**)*

The Malabar Biomethane Injection Plant is the first project in Australia to produce biomethane and inject it into a gas network.

Services & Projects

Zinfra forms part of the Services and Projects market, which operates in a competitive contracting services and projects market.

Zinfra provides engineering, design and construction as well as field based maintenance and operational services across, primarily, gas and electricity assets. Zinfra delivers these services to SGSPAA Group as well as other utility asset owner clients and clients in adjacent markets.

Other investments

(a) Evoenergy

Evoenergy owns, plans, develops, constructs, operates and maintains the electricity network in the Australian Capital Territory (**ACT**) and the gas networks in the ACT and in Queanbeyan-Palerang and Nowra in NSW. Jemena has a 50% interest in the ActewAGL Distribution partnership (operating under the Evoenergy brand introduced on 1 January 2018), with the remaining 50% of the partnership being owned by Icon Distribution Investments Limited, a subsidiary of Icon Water Limited. Icon Water Limited (formerly ACTEW Corporation Limited) is an ACT government owned company with assets and investments in water, wastewater, electricity and gas.

*(b) United Energy Distribution Network (**UED**)*

The Issuer holds a 34% shareholding in UED. UED distributes electricity throughout east and southeast Melbourne and the Mornington Peninsula in Vic. The network covers approximately 1,500 square kilometres and services over 718,000 customers. The remaining 66% of UED is held by a CK Infrastructure Holdings Limited-led consortium.

(c) Ovida

The Ovida brand was established in compliance with the AER's Electricity Ringfencing Guideline which applies to JEN as a regulated electricity distribution business and requires, amongst other requirements, branding separation with any related entity providing contestable electricity services.

2. KEY STRENGTHS

Stable cash flow

Jemena's regulated networks and contracted gas pipelines generate the majority of SGSPAA Group's earnings. SGSPAA Group's cash flow is predictable and stable.

Diversified and growing asset base

SGSPAA Group owns and operates a diverse portfolio of gas and electricity infrastructure assets which provides earnings diversity. To support the operation and delivery of existing and new energy infrastructure assets, the Issuer has an extensive operational footprint across Vic, NSW, Qld, the ACT and the NT employing over 3500 Australians.

SGSPAA Group has markets aligned with key customer sectors. This, together with SGSPAA Group's existing skills, capabilities and experience, positions it to deliver a range of energy infrastructure solutions to customers across markets and regions.

Low operating risk

SGSPAA Group's assets are well maintained and have performed reliably.

Established regulatory regime

The regulatory framework and pricing system is well understood by industry participants with an established methodology that applies to a range of infrastructure assets in Australia.

Services and Projects Capability

Zinfra provides extensive end-to-end service solutions that include design, construction and maintenance services to SGSPAA Group and to other electricity and gas asset owners. Zinfra is well positioned for ongoing growth in the provision of services associated with capital and operating expenditure from both Government and non-Government asset owners.

Skilled and Experienced Shareholders

The Issuer is 60% owned by SGIDAIC and 40% owned by SPI.

SGIDAIC is a wholly owned subsidiary of SGID. SGID is a wholly owned subsidiary of SGCC and is a platform for undertaking the overseas investment and operations of SGCC. SGCC's core businesses are the investment, construction, and operation of power networks, with a mission for providing safer, more economical, cleaner and sustainable power supply services. SGCC's transmission and distribution network covers 26 provinces, municipalities and autonomous regions (approximately 88% of the geographical area) of China. In 2025, SGCC ranked 3rd on the Fortune Global 500 list with revenue of approximately US$548 billion. SGCC, mainly through SGID, has a number of overseas investments in Australia, Brazil, Philippines, Portugal, Hong Kong, Italy, Greece, Chile and Oman. More information on SGCC is available at the company's website, www.sgcc.com.cn.

SPI is an investment holding company for SP Group, a leading energy utility group in the Asia Pacific. SP Group owns and operates electricity and gas transmission and distribution businesses in Singapore and Australia, district cooling businesses and sustainable energy solutions in Singapore, China, Vietnam and Thailand. More than 1.8 million industrial, commercial and residential customers in Singapore benefit from SP Group's transmission, distribution, and market support services.

SGIDAIC and SPI regularly review and seek to optimise their portfolio assets relating to the SGSPAA Group. Changes to these portfolio assets, including acquisitions or divestments of assets by SGSPAA Group, would only be made in accordance with the terms of the SGSPAA Group's financing facilities and the Programme.

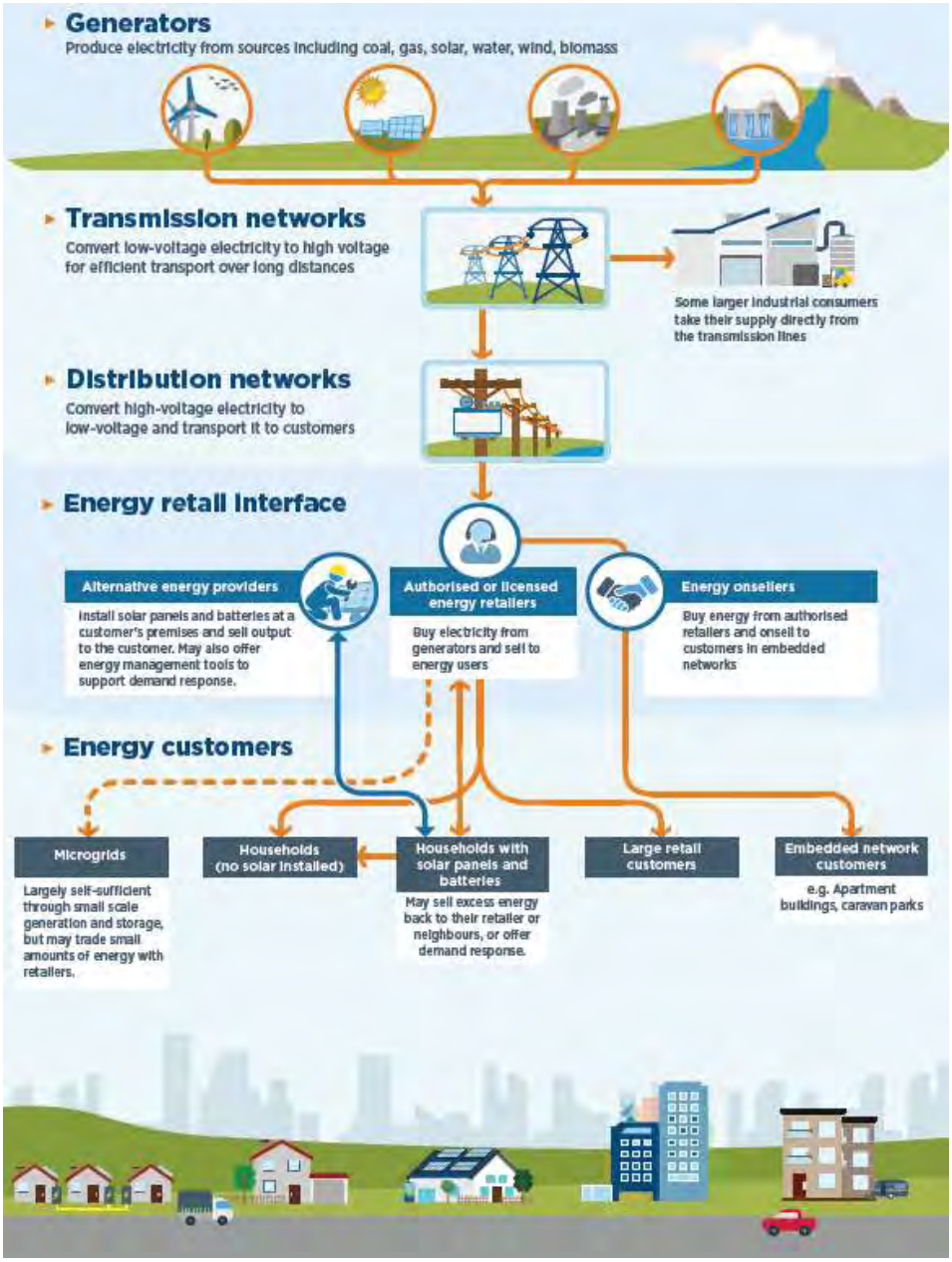
3. INDUSTRY

3.1 Australian Electricity Industry Overview

The electricity market has been traditionally comprised of four segments — wholesale generation of electricity, transmission, distribution and retail — involving a 'one-way' power flow from generators to consumers.

As a result of technological advancements, the energy market has rapidly evolved from a highly centralised, hub-and-spoke system to one that is increasingly decentralised. This has been a result of the uptake of distributed energy resources (**DER**), involving local generation connected to the grid at the distribution level. This has transformed the traditional model for electricity supply to a 'two-way' power flow model.

Figure 3.1(1) Electricity supply chain and markets



Source: Page 13, AER State of the Energy Market Report, 2022.

The segments of the electricity supply market are described below. For further information refer to the annual review of the Australian energy market entitled "State of the Energy Market" published by the AER.

National Electricity Market (NEM)

The NEM is a wholesale market for the supply and purchase of electricity combined with an open access regime for the use of the transmission and distribution networks in the participating jurisdictions — NSW, the ACT, Vic, Qld, SA and Tas. Western Australia (**WA**) and the NT do not participate in the NEM because of a current lack of interconnection of electricity networks and the high cost of constructing those connections. Further detail about the WA electricity market is set out further below.

The National Electricity Law (**NEL**) establishes the framework for the operation of the NEM and the functions and powers of the AER and the Australian Energy Market Commission (**AEMC**).

The Australian Energy Market Operator (**AEMO**) is responsible for administering and operating the NEM in accordance with the National Electricity Rules (**NER**). AEMO establishes clearing or spot prices for electricity sold by generators to either retailers or large end users. Sale and purchase bids are submitted in advance for trading intervals and AEMO sets the market clearing price(s) from those bids every five minutes. After the trading interval, AEMO administers a settlement process in which retailers pay for the energy their customers consume, and the generators are paid for the energy they have generated.

The spot price can be volatile. Consequently, parties commonly contract directly with each other and seek vertical integration to mitigate pool price volatility risks. These financial contracts are generally in the standard form for commodity hedge trading used in Australia and overseas.

Generation

Generation companies produce electricity from sources such as coal, gas, hydro, wind or sun and then sell it to the NEM.

Electricity generators in eastern and southern Australia produce electricity for sale into the NEM. The electricity produced by these generators is sold through a central dispatch managed by AEMO. The Issuer has no ownership interests in the generation of wholesale electricity sold into the NEM.

Transmission

Transmission networks transport electricity from generators to distribution networks, which in turn transport electricity to customers. In a few cases, large businesses such as aluminium smelters are directly connected to the transmission network. A transmission network consists of towers and the wires that run between them, underground cables, transformers, switching equipment, reactive power devices, monitoring and telecommunications equipment.

The NEM in eastern and southern Australia has a combination of state-based transmission networks and cross-border interconnectors that connect the networks together. This arrangement provides a fully interconnected transmission network from Qld through to NSW, the ACT, Vic, SA and Tas.

The Issuer currently has no ownership interests in transmission network assets connecting generators to distribution networks or cross-border interconnectors.

Distribution

Distribution networks move electricity from the transmission network to residential and business electricity customers. Electricity from small-scale local generation (such as rooftop solar) is also injected into distribution networks to supply consumers. A distribution network consists of distribution and zone substations, switching equipment, supervisory control and data acquisition equipment, poles and overhead wires, underground conduits and cables that carry electricity.

In Australia, there are distribution networks in all States and Territories, serving population centres and industry in cities, towns and regional areas. The Issuer has ownership interests in three electricity distribution networks including JEN and United Energy in Vic and Evoenergy in ACT.

Retailers

Retailers buy electricity in the wholesale market and package it with transportation for sale to customers. Many retailers also sell 'dual fuel' products that bundle electricity and gas services. The Issuer has no ownership interests in the electricity retail market.

Customer-side distributed energy resources

Advancements in technology have diversified the traditional model for supply of electricity, adding sources of energy generation at the distribution level. These are known as Distributed Energy Resources (**DER**) — which involves local generation connected to the distribution network. Common examples of DER include rooftop solar PV units, battery storage, thermal energy storage, hybrid energy solutions and site energy management technologies.

WA Electricity Market

Because of its physical distance from the NEM, Western Australia's electricity market is neither physically interconnected, nor does it share the main governance frameworks, with the NEM. Reflecting WA's geography, the State's electricity infrastructure consists of several distinct systems including, the South West Interconnected System (**SWIS**), the North West Interconnected System (**NWIS**) and a multitude of regional, non-interconnected power systems.

The SWIS is the major interconnected electricity network in WA, supplying the bulk of the south-west region. The network has approximately, average peak demand of 4,000MW, 7,800 kilometres of transmission lines and distributes electricity to more

than 1.1 million households and businesses. WA introduced a wholesale electricity market in the SWIS in 2006 which, in summary, facilitates wholesale electricity sales between generators and retailers or large users and is run by AEMO.

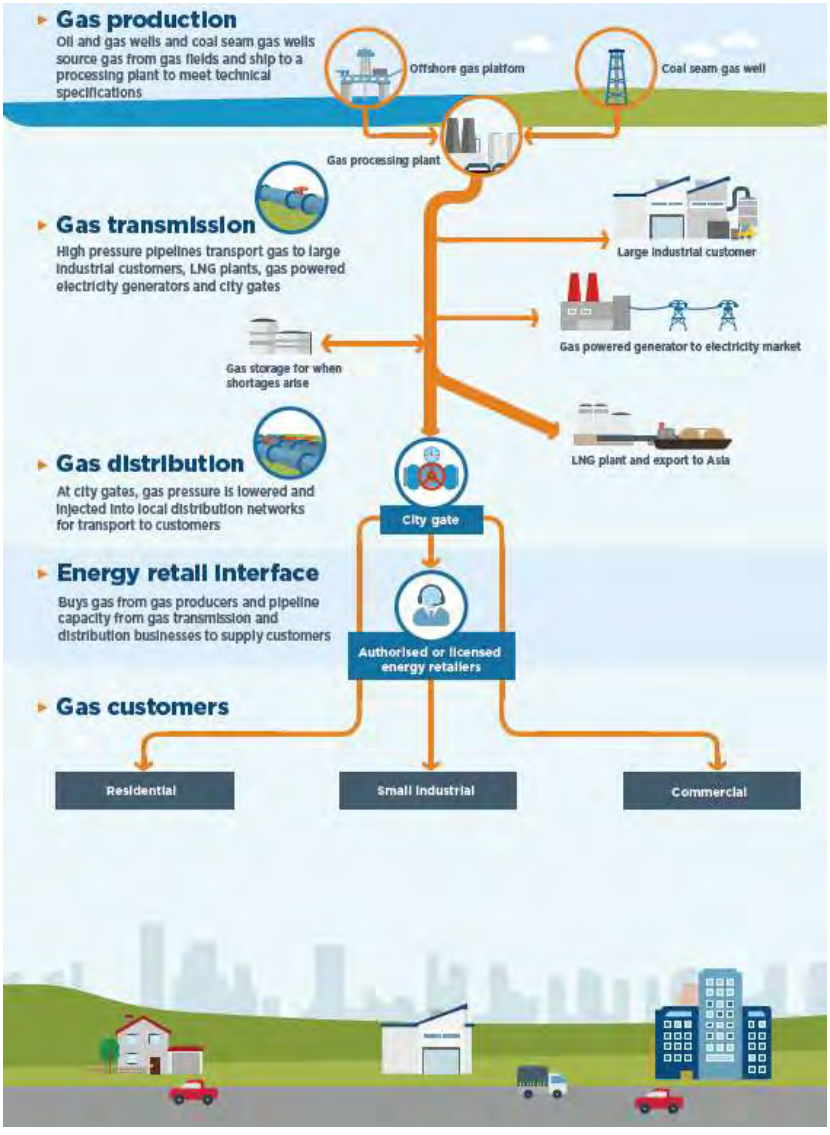
The NWIS is a separate and partially interconnected network in the north-west of the State. It has a total installed capacity of less than half the size of the SWIS. The network is largely built by the resources industry, owning and operating transmission lines supplying their operations and the associated townships. The interconnected portion of the network has approximately 800MW of installed generation capacity, with substantial transmission and distribution networks. There is currently no central planner or operator of the NWIS resulting in multiple owners of transmission and generation assets. The WA government has recently passed legislation introducing regulatory reforms to improve system planning and operation, as well as to enhance third party access to network infrastructure.

The Issuer has no current or prospective ownership interests in the WA electricity market.

3.2 Australian Gas Industry Overview

The Australian gas market has four segments — production, transmission, distribution and retail:

Figure 3.2(1) Gas supply chain and markets



Source: Page 14, AER State of the Energy Market Report, 2022.

Australia has two distinct regional gas markets:

- the eastern Australian market, encompassing Qld, NSW, Vic, SA, NT, Tas and the ACT, connected by a network of transmission pipelines; and
- the WA market.

The NGL and the National Gas Rules (**NGR**) together establish the framework in which third parties can gain access to certain gas transmission and distribution pipeline services and include the scheme for economic regulation of those services by the AER in the eastern Australian market, and for economic regulation of those services in WA by the Economic Regulatory Authority in the State.

The segments of the natural gas supply market are described below. For further information refer to the annual review of the Australian energy market entitled "State of the Energy Market" published by the AER.

Natural gas exploration and production

The two main types of natural gas in Australia are conventional natural gas and coal seam gas (**CSG**). Conventional natural gas is found in underground reservoirs trapped in rock, often along with oil. In contrast, CSG is produced when coal is created from peat. Australia also has shale gas resources, most of which are still in the exploration stage, including the Northern Territory Beetaloo Basin. Natural gas exploration and production is the first link in the natural gas supply chain and is a significant contributor to the Australian economy. According to the AER, the east coast of Australia as of January 2025 has approximately 31,968 PJ of proved and probable reserves. Approximately 90% of these reserves are CSG reserves in Queensland's Surat-Bowen Basin, and approximately 75% of domestic gas production in eastern gas markets (excluding the Northern Territory) is exported as LNG.

The largest of Australia's proved and probable conventional gas supply reserves are located off the North West Australian coast (Browse Basin) and in the Timor Sea.

The Issuer has no ownership interests in the exploration and production of natural gas. However, the processing facilities at NGP, Malabar, Atlas and Roma North assets are treated as production facilities under NGL. Each of the Atlas, Roma North and Malabar processing facilities must be ringfenced from the Issuer's gas transmission pipeline assets. An exemption granted allows NGP and PCCS marketing staff to be shared with marketing staff of EGP, QGP, VicHub and Colongra.

Gas Transmission

High pressure transmission pipelines are used to transport natural gas over long distances. These are mainly placed underground which helps to prevent damage that could interrupt gas supply. Some large industrial customers are directly connected to the transmission network. Gas transmission pipelines are predominantly under non-government ownership.

The Issuer has ownership interests in several gas transmission assets across Qld, Vic, NSW and NT.

Gas Distribution

A network of distribution pipelines and mains are used to deliver gas at lower pressure from points along the transmission pipelines to the end consumer. Gate stations link transmission pipelines with distribution networks. The gate stations also measure the natural gas leaving a transmission system for billing purposes and also reduce the pressure of the gas before it enters the distribution network.

Natural gas is now reticulated to most Australian capital cities, major regional areas and towns. The AER is the economic regulator of distribution networks in the eastern Australian and NT gas markets.

The Issuer has ownership interests in Jemena's gas distribution network in NSW and Evoenergy's in ACT and NSW.

Gas Retail Markets

Retailers contract for gas with producers and pipeline operators to provide a bundled package for sale to customers. Retail customers are residential, business and industrial gas users. AGL Energy, Origin Energy and privately owned EnergyAustralia — collectively supply the bulk of small energy customers in Vic, SA and NSW.

The Issuer has no ownership interests in the gas retail market.

3.3 Regulatory Environment

Regulated Activities

The Issuer is involved in:

(a) electricity distribution in Vic and ACT;

(b) gas distribution in NSW and ACT; and

(c) gas transmission in Vic, NSW, Qld and NT.

Electricity and gas distribution activities are subject to regulated tariffs (full economic regulation). Jemena's gas transmission pipelines are subject to a lighter form of regulation, and do not have to submit an access arrangement for regulatory approval. The activities of SGSPAA Group are also subject to operational requirements such as service standards and technical matters (operational regulation).

The AER is responsible for the economic regulation of the wholesale electricity market and electricity and gas transmission and distribution networks in the NEM. The AEMC is responsible for rules and policy advice covering the NEM.

Economic Regulation

The economic regulation of Jemena's gas and electricity networks is overseen by the AER under the NEL, NER, the NGL and NGR. Regulatory determinations made by the AER are subject to judicial review.

Jemena's electricity and gas distribution network assets are subject to regular regulatory determinations in relation to revenue that in turn determines the prices to be charged to customers to recover costs for regulated services. These determinations are generally for five-year periods.

The diagram below depicts the building block methodology applied by the AER in determining regulated networks' revenue requirements.

Figure 3.3(1) Regulated Revenue

Electricity distribution

In the case of electricity distribution, each regulated distribution business makes submissions to the regulator prior to commencement of the new regulatory period regarding its expected capital and operating programmes and associated costs over the period, network performance and other matters. The regulator makes a draft determination seeking comments from the business and other interested parties and then makes a final determination.

Revenue for regulated distribution services is determined under, typically, a five-year revenue cap regime, with network prices determined annually. The AER uses a building block approach which provides for a target revenue stream that is designed to cover ongoing operations and maintenance costs, depreciation and a return on assets, calculated by reference to a benchmark WACC, applicable to an efficient business. The AER sets the framework and key parameters used to calculate the WACC through the rate of return instrument.

The AER applies a range of performance incentive schemes to electricity distribution businesses. These include the STPIS, the EBSS, the CESS, and the FFS.

The incentive scheme regime offers entities the opportunity to realise and capture the benefits of some efficiency gains in the short term.

The FFS provides incentives for Victorian electricity distributors to reduce the number of fire starts by rewarding or penalising them for performing better or worse than their respective fire start targets set by the Victorian Government. Each fire start is assigned a number of ignition risk units (**IRU**), with the network's reward/penalty determined with reference to performance and targets measured in IRUs.

The STPIS provides financial incentives for electricity distribution businesses to maintain and improve service performance. The STPIS establishes performance targets based on historical performance and provides historical rewards for electricity distributors exceeding performance and financial penalties for failing to meet the targets. The rewards and penalties are calculated within a service term which adjusts the revenue that a distributor earns.

The EBSS and CESS schemes reward (or penalise) distributors based on operating and capital expenditure performance relative to the AER's revenue determinations.

In Victoria, electricity distribution businesses are also subject to a GSL Scheme. The GSL sets threshold levels of service for distributors to achieve, and requires direct payments to customers who experience service worse than the predetermined level.

Gas transmission pipelines

Jemena's gas transmission pipeline assets are non-scheme pipelines, which means that they do not have to submit access arrangements to the AER and are not presently subject to full economic regulation under the NGL. Jemena's transmission assets are subject to provisions of the NGL and NGR which provide, amongst other things, for an arbitration mechanism for access disputes, including without limitation for pricing disputes. Resolution of any access pricing disputes must be broadly based on a cost of service approach. The Northern Gas Pipeline (**NGP**) which is the subject of a derogation under the NGR is not subject to the arbitration regime for a period of 15 years (beginning 4 January 2019) or the time that the NGP becomes a scheme pipeline, whichever is sooner.

Each of Jemena's gas transmission assets are committed to the provision of voluntary, non-discriminatory pipeline access to third parties at a published tariff where capacity is available. The NGP is bound by the NGP Access Principles, agreed with the Northern Territory Government at the time of being selected to build the asset, that commit Jemena to pricing caps, access terms and a dispute resolution mechanism. The EGP, QGP,DDP, VicHub, Colongra Gas Transmission and Storage Pipeline, Atlas Gas Pipeline and Roma North Gas Pipeline are subject to various obligations under the NGL and NGR, including in relation to information disclosure and access negotiations.

A capacity auction exists under the NGR in respect of unused contracted pipeline capacity on each day. The EGP, QGP, DDP and VicHub pipelines are required to participate in the auction. The NGP is not required to participate yet as the auction does not currently apply to pipelines wholly or partly located in the Northern Territory. The Colongra Gas Transmission and Storage Pipeline, Atlas Gas Pipeline and Roma North Gas Pipeline are the subject of fixed-term exemptions from the capacity auction on the basis that these are single user facilities. The Issuer will seek renewals of these exemptions as they fall due, subject to continued eligibility.

In accordance with requirements under the NGR, Jemena's website contains a suite of financial, pricing, operational and contractual information for each pipeline (except the NGP which is exempt from these requirements). The purpose of these disclosures is to assist shippers when negotiating for capacity on Jemena's pipelines.

Gas distribution

In the case of gas distribution, each regulated business proposes an "access arrangement" for its network pursuant to the NGR. This is considered by the regulator, which either accepts the proposed access arrangement or proposes amendments. An access arrangement is reviewed on a five-yearly regulatory cycle, where the regulated business will propose revisions to the access arrangement for the consideration of the regulator.

The AER applies a range of performance incentive schemes to gas distribution businesses. These include the Efficiency Carryover Mechanism (**ECM**) and the CESS. The ECM and CESS schemes reward (or penalise) gas distributors based on operating and capital expenditure performance relative to the AER's regulatory allowances.

Operational regulation

SGSPAA Group's assets are physically located across Australian state and territory jurisdictions. In Vic, the AER, Energy Safe Victoria (**ESV**), the Minister for Energy and Essential Services Commission (**ESC**) provide operational regulation over the EGP, JEN and United Energy's electricity distribution networks. In NSW and the ACT, the AER, the Independent Pricing and Regulatory Tribunal NSW (**IPART**), the Independent Competition and Regulatory Commission ACT (**ICRC**), the Department of Climate Change, Energy, the Environment and Water (**DCCEEW**) and various government departments are responsible for operational regulation of JGN, Colongra Gas Transmission & Storage Pipeline, EGP and Evoenergy networks. In Qld, operational regulation of the QGP, DDP, Atlas, Atlas-PF, RNP, RNP-PF and NGP is undertaken by the Department of Resources. In the NT, operational regulation of the NGP is undertaken by the Department of Primary Industry and Resources.

SGSPAA is subject to the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FAT Act**) and the requirements of FIRB. Under the FAT Act, certain transactions require notification to or approval by FIRB. FIRB may impose conditions on companies which are subject to the FAT Act, as has occurred with SGSPAA, in respect to, for example governance, compliance and reporting, system and access controls, data controls and restrictions on use of certain types of land. Under the FAT Act, government authorities have the ability to review certain transactions which have occurred or were approved after 1 January 2021 to protect national security interests in limited circumstances.

The *Security of Critical Infrastructure Act 2018* (Cth) and associated instruments (**SOCI Regime**) require certain critical asset owners to implement a risk management programme to address material supply chain, personnel, physical, and cyber security risks that are applicable to their critical infrastructure assets. The SOCI Regime also imposes reporting requirements for cyber security incidents involving critical infrastructure assets and provides for government response and other powers, including for example in the event of major incidents. The SOCI Regime also contains enhanced cyber security obligations for systems of national significance.

4. BUSINESS OVERVIEW

4.1 Corporate Milestones

SGSPAA Group was formed when SP Group sold 60% of its interest in the Issuer to SGCC in 2014. Since its formation, SGSPAA Group has achieved a number of milestones in accordance with its strategy. Some of the more recent examples include:

(a) **2024**: Jemena announced that gas produced at the MBIP had received certification from renewable certification body, GreenPower. The announcement means that renewable gas certificates can be created and sold allowing commercial users to match their natural gas use with accredited low-emission renewable gas certificates.

(b) **2024**: In late 2023 Jemena signed a three-year Memorandum of Understanding (**MoU**) with renewable gas producer Optimal Renewable Gas who will undertake work to construct three additional biomethane production facilities across parts of regional New South Wales. As part of the MoU Jemena will undertake feasibility and preparatory work so biomethane produced by Optimal Renewable Gas can be injected into the New South Wales gas network. Jemena signed a further three MoUs with renewable gas producers in 2024 to undertake feasibility and preparatory work to enable biomethane to be injected into the New South Wales gas network.

(c) **2024**: Zinfra signed a four year distribution operations and maintenance service agreement with AusNet to become its distribution service partner with services commencing from 1 August 2025. This includes taking over a 500 predominantly field based person workforce.

(d) **2024**: Jemena completed a project to reverse the NGP to allow up to 60TJ/d of gas to be transported from the east coast of Australia into the Northern Territory under emergency conditions. This project protects energy security in the NT.

(e) **2024**: Jemena and Zinfra completed a major upgrade of a Jemena Victorian electricity network substation enabling a doubling of power capacity from 50 to 100 MVA at one of Melbourne's largest data centres, the NEXTDC M2 Melbourne Data Centre.

(f) **2025**: Jemena executed an agreement with Santos and Comet Ridge to undertake the Front End Engineering Design for a new pipeline to connect new gas supply to both the Queensland Gas Pipeline and the Gladstone LNG export pipeline. The FEED is due to conclude in Q2 2026.

(g) **2025**: SGSPAA published its inaugural Climate Transition Plan (**CTP**), a key document for the Group as Australia transitions to net-zero. The purpose of the CTPs is to set out a direction and strategy, together with actions and timing, to assist the Group to achieve its climate ambitions. It will form part of the upcoming mandatory climate disclosures for SGSPAA, commencing from the financial period starting 1 January 2025.

(h) **2025**: Jemena worked closely with the DCCEEW to design an amendment to the NGERS Emissions Reporting methodology to formally recognise the decarbonisation benefit of biomethane and hydrogen delivered through gas infrastructure. This legislation, which became effective on 1 July 2025, enables industrial and commercial customers to purchase renewable gas certificates to reduce their Scope 1 emissions.

(i) **2025**: Jemena commenced operation of the first three of four community batteries being installed in the Jemena Electricity Network in order to make locally generated renewable electricity available to more homes and businesses in the distribution network. Jemena's community battery programme received support under the Australian Government's Communities for Household Solar programme.

(j) **2026**: The first phase to reverse the section of the Eastern Gas Pipeline (**EGP**) from Port Kembla to Longford to allow gas deliveries from the Port Kembla Energy Terminal (**PKET**) and supply from Orbost to be delivered into the Victorian market, the largest market for natural gas in Australia, has been completed by Jemena in Q2 of 2026. It complements the earlier construction of the lateral pipeline connecting PKET to the EGP which was completed in 2023.

4.2 Summary Financials

Figure 4.2(1) SGSPAA Group Summary Financials

	For the year 1 January 2025 to 31 December 2025	For the year from 1 January 2024 to 31 December 2024	For the year from 1 January 2023 to 31 December 2023
	(A$ Mill)	(A$ Mill)	(A$ Mill)
Income Statement			
Revenue	2,368	2,229	1,867
Expenses excluding depreciation, amortisation, impairment loss and finance costs[1]	(1,366)	(1,278)	(1,078)
Depreciation and amortisation	(411)	(401)	(326)
Other income	15	35	24
Share of net profits of associate and joint venture accounted for using the equity method	122	98	134
Net finance costs[2]	(230)	(219)	(246)
Profit before income tax expense	498	464	375
Income tax expense	(143)	(133)	(140)
Profit after income tax expense	**355**	**331**	**235**
Cash Flows			
Net cash inflow from operating activities	983	842	735
Net cash (outflow) from investing activities	(618)	(458)	(442)
Net cash (outflow) from financing activities	(347)	(357)	(309)
Net increase/(decrease) in cash and cash equivalents	18	27	(16)
Payments for property, plant and equipment and intangibles (included within investing activities)[3]	(681)	(543)	(505)

Notes:

(1) Includes employee benefits expense, material and services expense.

(2) Includes finance income and unwind of economic hedge instruments through hedge reserves in the period ended 31 December 2025, 31 December 2024 and 31 December 2023.

(3) Included in Net cash (outflow) from investing activities noted above.

Source: Derived from the audited, consolidated financial statements of the Issuer for the financial periods ended 31 December 2025, 31 December 2024 and 31 December 2023. Where prior year figures have been restated, the amounts are based on the restated balances as presented in the immediately following year's audited financial statements.

	As at 31 December 2025	As at 31 December 2024	As at 31 December 2023 Restated[2]
	(A$ Mill)	(A$ Mill)	(A$ Mill)
Balance Sheet			
Total assets	13,259	12,926	12,420
Interest bearing liabilities — current[1]	837	614	250
Convertible Instruments — current	0	0	800
Interest bearing liabilities — non current[1]	5,015	5,272	5,187
Convertible Instruments — non current	0	0	0

Notes:

(1) Excludes finance leases, retirement benefit obligations and Convertible Instruments (non-current).

(2) 2023 has been restated on account of a change in accounting policy. From 1 January 2024, the Group has adopted Classification of Liabilities as Current or Non-current (*Amendments to AASB 2020-1*) and Non-current Liabilities with Covenants (Amendments to AASB 2022-6), which clarify certain requirements for determining whether a liability should be classified as current or non-current. This resulted in a change in the accounting policy for the classification of liabilities that can be settled in a Group entity's own shares (e.g. convertible instruments issued by a Group entity). Following the change in accounting policy, the convertible instruments that were entered into in 2015 with SGIDAIC and SPI (**Convertible Instruments**) amounting to $800.0 million as at 31 December 2023 were reclassified from non-current to current.

Source: Derived from the audited, consolidated financial statements of the Issuer for the financial periods ended 31 December 2025, 31 December 2024 and 31 December 2023. Where prior year figures have been restated, the amounts are based on the restated balances as presented in the immediately following year's audited financial statements.

2025 and restated 2024 figures are derived from the 2025 consolidated financial statements.

2024 and restated 2023 figures are derived from the 2024 consolidated financial statements.

Figure 4.2(2) SGSPAA Group Summary of Capitalisation

	As at 31 December 2025	As at 31 December 2024 Restated[3]	As at 31 December 2023 Restated[4]
	(A$ Mill)	(A$ Mill)	(A$ Mill)
Cash at Bank and in Hand	**76**	**58**	**31**
Short Term Debt, Including Current Portion of Long Term Debt[1]	837	614	250
Convertible Instruments – current	0	0	800
Total Short Term Interest Bearing Debt	**837**	**614**	**1,050**
Capitalisation			
Debt securities	4,727	4,386	3,752
Bank loans – non-current	305	901	1,450
Convertible Instruments – non-current	0	0	0
Long Term Interest Bearing Debt[2]	**5,032**	**5,287**	**5,202**
Equity	5,145	4,988	4,165
Total Capitalisation	**10,177**	**10,275**	**9,367**

Notes:

(1) Includes debt securities and Syndicated Bilateral Facility.

(2) Excludes finance leases and retirement benefit obligations and excludes debt issuance costs of A$16.5 million at 31 December 2025, A$15 million at 31 December 2024, A$16 million at 31 December 2023.

(3) 2024 financials were restated to account for a prior period error in relation to the non-recognition of a make good provision for a leased site, resulting in a A$25 million increase in provisions and a corresponding reduction in retained earnings.

(4) 2023 has been restated on account of a change in accounting policy. From 1 January 2024, the Group has adopted Classification of Liabilities as Current or Non-current (*Amendments to AASB 2020-1*) and Non-current Liabilities with Covenants (Amendments to AASB 2022-6), which clarify certain requirements for determining whether a liability should be classified as current or non-current. This resulted in a change in the accounting policy for the classification of liabilities that can be settled in a Group entity's own shares (e.g. convertible instruments issued by a Group entity). Following the change in accounting policy, the convertible instruments that were entered into in 2015 with SGIDAIC and SPI (**Convertible Instruments**) amounting to $800.0 million as at 31 December 2023 were reclassified from non-current to current.

Source: Derived from the audited, consolidated financial statements of the Issuer for the financial periods ended 31 December 2025, 31 December 2024 and 31 December 2023. Where prior year figures have been restated, the amounts are based on the restated balances as presented in the immediately following year's audited financial statements.

4.3 SGSPAA Group's Strategy

SGSPAA Group's vision is creating sustainable energy solutions with communities.

The SGSPAA Group has an aspiration to reach net zero emissions by 2050, delivering a mix of fuels and services safely, reliably and affordably.

SGSPAA Group has developed and implemented a business strategy based on the following key energy markets:

- Regulated Gas Distribution Network;
- Regulated Electricity Distribution Network;
- Gas transmission and associated processing assets; and
- Services and Projects.

SGSPAA will consider opportunities in adjacent sections of the electricity market.

Across these markets the SGSPAA strategy is anchored by three key objectives:

(a) Continue to build a safe and inclusive workplace:

- Ensure that our people are safe and feel a sense of belonging in our diverse workforce.

(b) Deliver safe, reliable and affordable energy and sustainable performance for all:

- Deliver products and services that customers want at prices they are willing to pay to deliver appropriate market risk weighted returns;
- Optimise and continually improve operations to remain competitive in existing markets and position ourselves to realise opportunities to profitably grow value; and
- Sustainably manage our value growth, risks, investment and assets utilization over the short, medium and long term for stakeholders.

(c) Transition our assets to enable a resilient energy future:

- Position the business to continuously adapt and proactively respond to the opportunities and risks created through the evolving Australian energy markets, rapid technological and regulatory developments and our customers' changing and varied needs.

ISSUER'S ASSETS

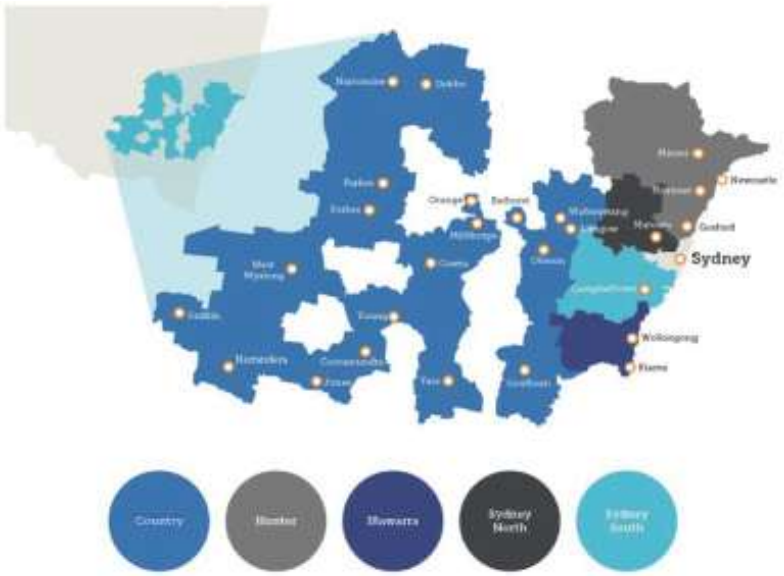
ELECTRICITY AND GAS DISTRIBUTION NETWORKS

4.4 JGN

JGN's history dates back to 1837 with the development of the first reticulated gas network in the Sydney central business district. This network has grown through a combination of extensions, new developments and acquisitions to service most major population centres in NSW.

As at 31 December 2025, the network provides gas to over 1.5 million customers across Sydney, Newcastle, Wollongong and over 20 country centres, as depicted below.

Figure 4.4(1) JGN location



The network distributes natural gas produced in South Australia and transported by the Moomba-to-Sydney pipeline owned by APA, as well as gas produced in Bass Strait and transported via the EGP.

Figure 4.4(2) JGN Distribution volumes

The volumes of gas distributed by the network in recent years are as follows:

Note: Information above is presented on a calendar year end basis and as such will not reconcile to regulatory determinations prepared on a June year end.

Network connections

For the regulatory period from July 2025 to June 2030, the AER's final decision does not expect material change in customer connections compared to the previous regulatory period.

On 18 December 2025, the Australian Energy Market Commission made a final determination to update the gas regulatory framework so that parties seeking to connect to gas networks are required to pay up front the full cost of connection. These changes will be effective from 1 October 2026. Previously, the NGR limited the costs that gas networks could recover from connecting customers, and many connections were provided free of charge.

Figure 4.4(3) JGN customer connections

The number of customer connections in recent years is as follows:

Domestic gas usage is principally for home heating, water heating and cooking. Accordingly, demand levels are directly impacted by climate and can be negatively affected by warm winter weather and drought (due to decreased hot water usage). JGN has network transportation contracts with energy retailers and large industrial consumers. AGL Energy Ltd, as the largest gas retailer in NSW, is the largest user of the network.

Industrial gas is primarily used as a source of energy for production processes, but may also be used as feedstock for fertilizer, medical or petrochemical products.

Network distribution revenues

As mentioned in section 3.3, the prices (or tariffs) charged for distributing gas, as well as the terms of access to the network, are regulated and reviewed on a five-yearly basis. The current regulatory period commenced on 1 July 2025, and the next regulatory reset will be effective as at 1 July 2030.

The AER issued its final decision on JGN's access arrangement for the period July 2025 to June 2030 on 14 May 2025.

As at 1 July 2025, the regulated asset base was A$3.847 billion ($nominal) and in its final decision on the access arrangement, the AER forecast the June 2030 regulated asset base to be A$4.111 billion ($nominal).

JGN's total revenues comprise revenues from regulated transportation services and other services. Regulated transportation revenues are a function of actual volumes realised and regulated tariffs. The parameters for setting regulated tariffs over the regulatory period are determined at the time of the most recent regulatory decision. The forecast revenues determined by the AER over the regulatory period are set out in the table below.

Figure 4.4(4) JGN regulatory outcomes (A$M, Nominal)

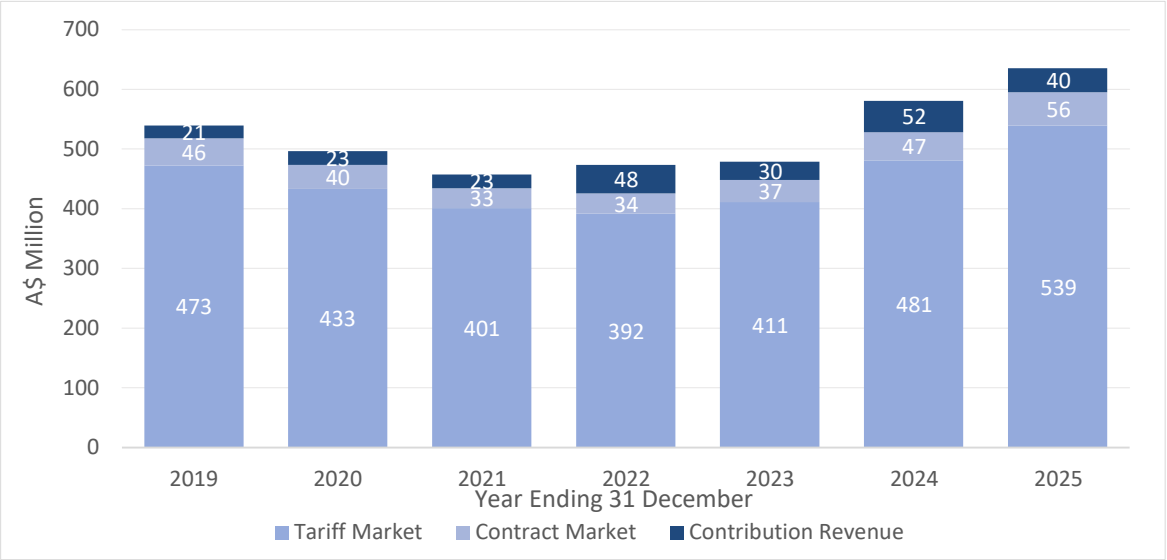
	2025/26	2026/27	2027/28	2028/29	2029/30
Revenue forecast (smoothed)	583.6	604.9	622.7	640.3	655.2

Source: AER, Final decision - Jemena Gas Networks (NSW) access arrangement 2025 to 2030 (1 July 2025 to 30 June 2030), 14 May 2025.

Actual revenues for JGN will differ to these revenues as a result of differences in actual realised gas volumes to volumes forecast at the time of the regulatory determination, actual inflation realised, annual cost of debt updates and due to unregulated revenues recognised by JGN.

Figure 4.4(5) JGN revenues

Actual revenues derived by the network in recent years are as follows:



Note: Information above is presented on a 31 December year end basis and as such will not reconcile to regulatory determinations prepared on a June year end.

Gas Network performance

Factors limiting the gas network's performance include the network's topography, the broad spread of the network and the consequential reduction in redundancy of supply to specific supply points.

Gas networks by nature have a high level of supply reliability (compared to electricity distribution networks). Reliability for gas networks is measured by customer's hours off supply.

Figure 4.4(6) Network performance (June Year End)

Network Reliability Data	2021/22	2022/23	2023/24	2024/25
Hours off supply/1000 customers (involving 5 or more customers).....	27.71	6.19	37.9	8.67

These numbers generally reflect interruptions to supply caused by interference and damage to the network as a result of construction or maintenance activities being carried out by third parties in physical proximity to the network. The 2024/25 result returned to lower levels but was impacted by major third party impacts caused by horizontal drilling machines striking single supply gas mains in August and October 2024 which required the forced shut down of supply to parts of the JGN and resulted in 13,525 customer hours off supply or 80% of the total customer hours off supply.

Decarbonisation Pathway for Gas Network Customers

JGN aims to supplement the natural gas flowing through the network with renewable gases, to support the decarbonisation of customers. In November 2025, the NSW Government announced its NSW Renewable Fuel Strategy which aims to stimulate a strong renewable fuels industry in NSW, to drive emissions reduction and underpin industrial activity in NSW.

Following the policy announcement from the NSW government, two renewable gas projects formally entered the Front-End Engineering Design (**FEED**) process for connection to JGN.

4.5 JEN

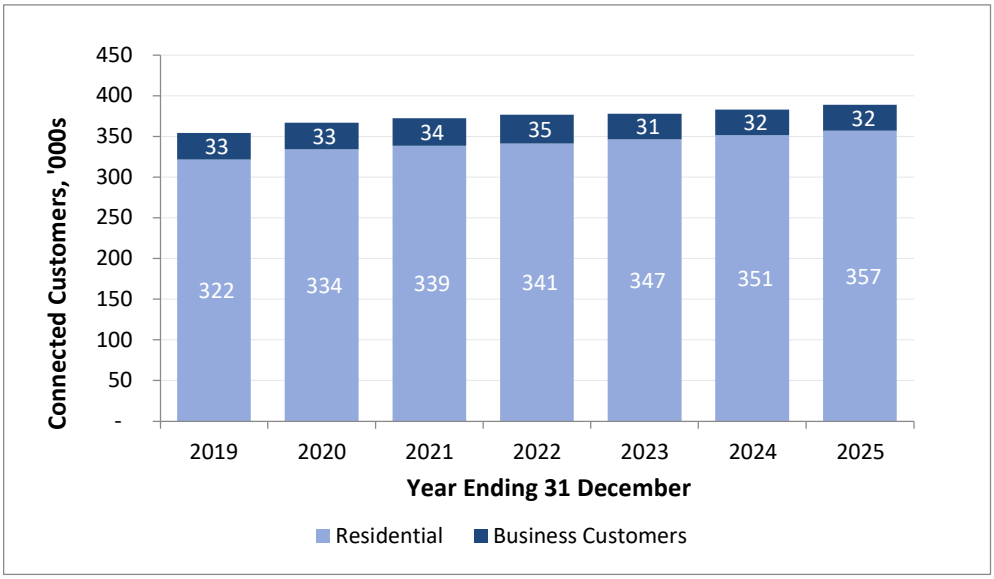
JEN distributes electricity to approximately 389,000 customers via approximately 7,000 kilometres of distribution network and over 950 square kilometres of north-west greater Melbourne, Vic. It is one of five licensed electricity distribution networks in Vic. The network footprint incorporates a mix of major industrial areas, residential growth areas, established inner suburbs and Melbourne International Airport.

Figure 4.5(1) JEN location

Electricity distribution in Vic is generally confined to specific geographic areas determined by distribution licences and there is limited overlap with neighbouring networks.

Figure 4.5(2) JEN connected customers

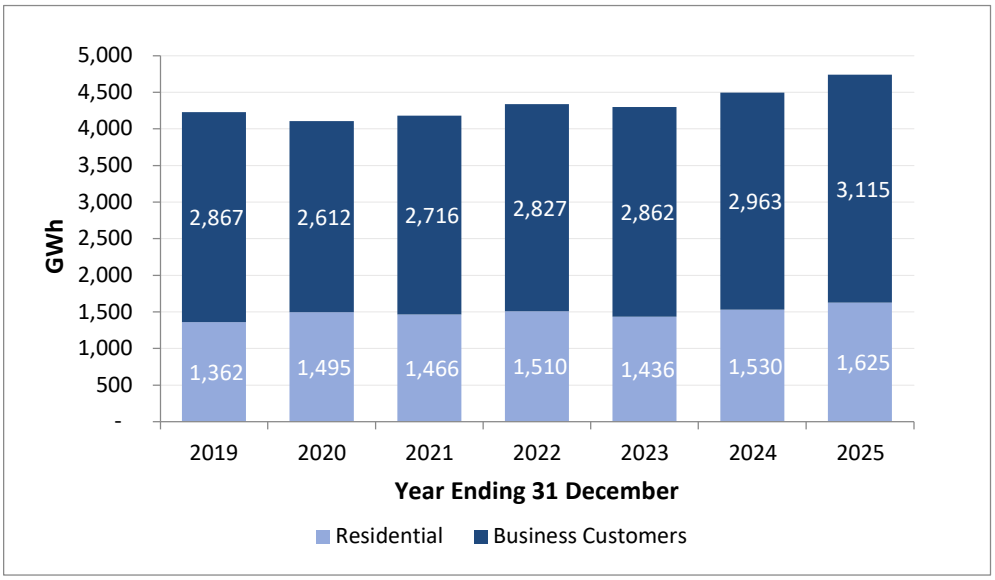
The following graph shows the recent growth in customer connections:



Note: Information above is presented on a calendar year end basis.

Figure 4.5(3) JEN distribution volumes

The volumes of electricity distributed by the network in recent years are as follows:



Note: Information above is presented on a calendar year end basis.

Electricity distribution revenues

The JEN network is regulated by the AER under the NEL.

On 30 April 2026, the AER issued its Final Electricity Distribution Price Review Decision for JEN. The final decision sets revenue allowances that JEN can recover for electricity distribution services and metering services during the regulatory control period from 1 July 2026 to 30 June 2031.

JEN's revenue is primarily derived from electricity distribution services provided under "Use of System Agreements" with energy retailers in Vic. These agreements are in a form prescribed by the ESC.

Figure 4.5(4) JEN distribution revenues

The following is a breakdown of the JEN's actual revenues in recent years:

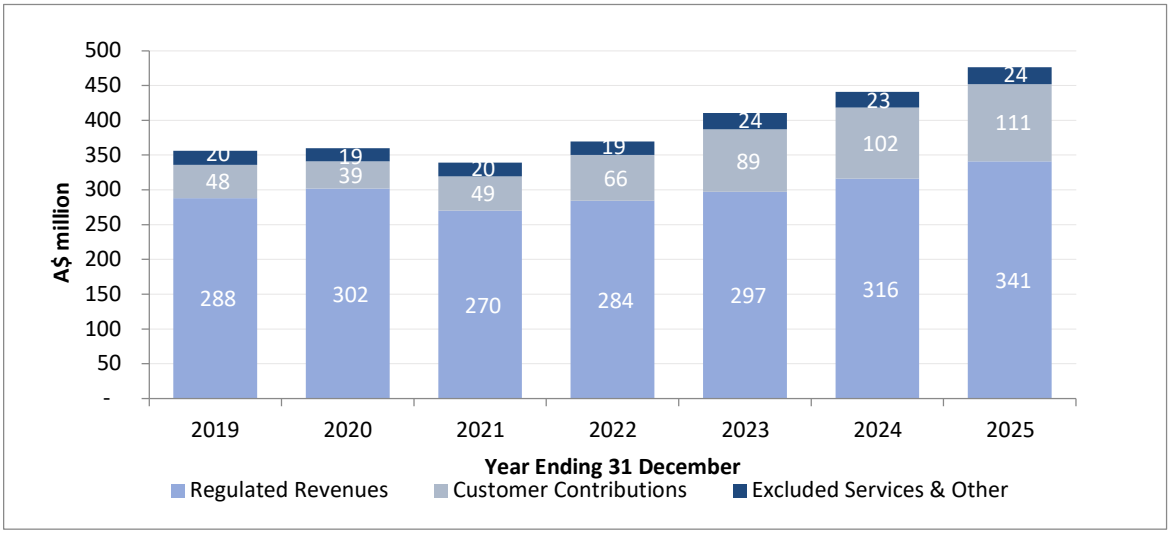


Figure 4.5(5) JEN regulatory outcomes (A$M, Nominal)

JEN network's total revenues comprise regulated and other revenues. Regulated revenues are a function of actual volumes realised and regulated tariffs. Regulated tariffs are determined using forecast regulated revenues estimated at the time of the most recent regulatory decision. The revenues determined by the AER over the regulatory period are set out in the table below.

	2026/27	2027/28	2028/29	2029/30	2030/31
Annual Revenue Requirement (smoothed)[1]	378.2	403.3	426.4	450.9	476.8

(1) Note: Includes revenues for network and metering services. Source: AER, Final Decision, Jemena Distribution Determination 2026 to 2031, April 2026

Actual revenues for the JEN services are subject to cost/revenue "true ups" lagged by a maximum of two years. Whilst actual revenues on an annual basis will differ from the amount approved by the AER, the net present value will be the same.

Network growth

It is expected that the residential and small business markets will continue to grow as a result of new greenfield development and redevelopment of inner-city land. In addition, growth in the large commercial and industrial markets is also expected to grow, mainly driven by data centres and major infrastructure projects. The total number of homes and businesses in the network area is forecast to grow by an annual growth rate of 1.2% from approximately 394,057 in 2026 to 413,868 by 2030.

The network is constructed to have sufficient capacity to meet the peak instantaneous load of customers (along with a level of security of supply should key components fail). Between 2026/27 and 2030/31, peak demand is forecast to grow by an average rate of 9.1% per annum. Jemena forecasts capital expenditure to create additional capacity on the network in order to continue to meet customer demand.

Network performance

Network performance is expected to vary yearly depending on climatic events such as storms, lightning and extreme temperatures. Reliability for electricity networks is measured by customer minutes off supply.

Figure 4.5(6) JEN reliability performance

	2021	2021/22	2022/23	2023/24	2024/25
Customer minutes off supply (unplanned and excluding regulator approved events)	52.6	46.4	39.1	44.8	42.9
Benchmark Target	55.1	44.5	44.5	44.5	44.5

There has been an improvement in underlying performance as a result of asset management strategies during this regulatory period compared to the previous, which has resulted in a lowering of regulatory performance targets for the current regulatory control period.

Note that the regulatory reporting period has changed from calendar year to 1 July to 30 June this regulatory control period.

4.6 Evoenergy

SGSPAA Group (through its subsidiary Jemena Networks (ACT) Pty Ltd) holds a 50% interest in the ActewAGL Distribution partnership (primarily operating under the brand Evoenergy), an electricity and gas distribution partnership with Icon Distribution Investments Limited, a subsidiary of Icon Water Limited (formerly ACTEW Corporation). Together with the ActewAGL Retail Partnership (a partnership between Icon Retail Investments Limited, another subsidiary of Icon Water Limited and AGL Energy), these two partnerships form a joint venture. Evoenergy's principal activities include ownership and operation of the electricity distribution network in the ACT (servicing approximately 220,000 residential and business customers) and the gas distribution network in the ACT and in Queanbeyan-Palerang and Nowra in NSW (servicing approximately 150,000 gas customers).

Figure 4.6(1) Evoenergy Network location

The joint venture is a standalone operating business. Zinfra provides operations, maintenance and construction services to the gas network.

Most end users for the gas and electricity networks are residential and small business customers, with only limited industrial usage. To deliver the ACT government's policy to achieve Net Zero by 2045, the ACT government has announced an intention to electrify the state and transition away from the use of fossil fuel gas by 2045. In December 2023, the ACT government introduced regulation to prevent new gas connections and is currently developing a pathway for the energy transition. Regulation of the gas and electricity networks is the responsibility of the AER. The AER makes decisions regarding the level of revenue and tariff prices subject to five yearly reviews (in respect of which see further information set out below).

Revenues

Evoenergy's total revenues comprise regulated and other revenues. Regulated revenues are a function of actual volumes realised and regulated tariffs. Regulated tariffs are determined using forecast regulated revenues determined at the time of the most recent regulatory decision, updated annually for inflation, the cost of debt allowance and jurisdictional scheme recoveries.

Gas Revenues

On 21 May 2026, the AER issued its final decision on Evoenergy's access arrangement proposal for the period 1 July 2026 to 30 June 2031. The final decision sets revenue allowances that Evoenergy is able to recover.

Figure 4.6(2) Evoenergy gas regulatory outcomes (A$M, Nominal)

	2026/27	2027/28	2028/29	2029/30	2030/31
Revenue forecast (smoothed)	79.5	81.2	82.4	84.2	85.5

Source: Access arrangement information for the access arrangement of Evoenergy gas distribution networks 1 July 2026 - 30 June 2031, as per AER's final decision on 21 May 2026.

Actual revenues for Evoenergy will differ to these revenues as a result of differences in actual realised volumes to volumes forecast at the time of the regulatory determination and due to non-regulated revenues recognised by Evoenergy.

Electricity Revenues

On 30 April 2024, the AER issued its final decision for Evoenergy's regulated distribution and transmission electricity revenues for the period from 1 July 2024 to 30 June 2029:

Figure 4.6(3) Evoenergy electricity regulatory outcomes (A$M, Nominal)

	2024/25	2025/26	2026/27	2027/28	2028/29
Annual revenue requirement (distribution).....	162.3	177.9	195.0	194.3	193.7
Annual revenue requirement (transmission – dual function assets)	31.8	34.4	37.3	37.0	36.6

Note — Regulated revenues have been smoothed.

Source: AER Final Decision Evoenergy Distribution Determination 2024 to 2029, Attachment 1 — Annual Revenue Requirement, April 2024.

Actual realised revenues will differ because of differences in actual inflation, approved pass-through charges, non-regulated revenue and revenue cap true ups.

4.7 UED

The Issuer owns a 34% interest in UED, which owns the electricity distribution network servicing the south-eastern suburbs of Melbourne and the Mornington Peninsula. Its licence area is largely urban in nature. The balance of UED is owned by the CKI Group of companies comprising Cheung Kong Infrastructure, Cheung Kong Properties and Power Asset Holdings. UED earns revenue principally from electricity retailers making sales of electricity within its licence area by utilising UED's infrastructure. These revenues are regulated. Other revenues include revenues from activities such as telecommunications cabling and pole rental.

Figure 4.7(1) UED Network location

UED services over 718,000 customers in a 1,500 square kilometre area from the south-eastern suburbs, southwards down the Mornington Peninsula. Powerlines on the network are approximately 13,500 kilometres long.

United Energy Distribution revenue

The UED electricity distribution network is regulated by the AER under the NEL.

On 30 April 2026, the AER issued its Final Electricity Price Review Decision to UED. The final decision sets revenue allowances that UED is able to recover for the provision of electricity distribution and metering services for the 1 July 2026 to 30 June 2031 period.

UED's total revenues comprise regulated and other revenues. Regulated revenues are a function of actual volumes realised and regulated tariffs. Regulated tariffs are determined using forecast regulated revenues determined at the time of the most recent regulatory decision, updated annually for inflation, the cost of debt allowance and true-ups for prior period incentive scheme performance. The AER's final decision determining UED's revenues for the 2026-2031 period is set out in the table below.

Figure 4.7(2) UED regulatory outcomes (A$M, Nominal)

	2026/27	2027/28	2028/29	2029/30	2030/31
Annual Revenue Requirement (smoothed).....	582.5	599.8	617.5	635.8	654.5

Note: Includes revenues for network and metering services. Source: AER, Final Decision, United Energy Distribution Determination 2026 to 2031, April 2026

Actual revenues for UED services are subject to cost/revenue "true ups" lagged by a maximum of two years. Whilst actual revenues on an annual basis will differ to the amount approved by the AER, the net present value revenue over time will be the same.

GAS PIPELINE ASSETS

4.8 EGP

Background

The EGP transports natural gas from the Gippsland Basin in Vic to markets in Sydney and regional centres (including Wollongong and Canberra), gas fired power stations, and other users along its 797 kilometre route. Much of the gas enters the pipeline at the Longford Compressor Station (**LCS**) having been processed through the Esso/Woodside plant. The EGP connects to the Victorian market through the VicHub interconnect facility (discussed in section 4.10) and the LCS provides compression for the TGP. The pipeline was commissioned in 2000.

In recent years the risk of decline in the production of gas from the Gippsland Basin has increased due to the age of the producing fields. In anticipation of material production declines forecast from the Gippsland Basin in the coming years which could adversely affect the utilization of the EGP, Jemena progressed a solution which maintains the EGP as key gas infrastructure in the southern Australian markets including Melbourne and Sydney. This involved connecting the EGP to an LNG import terminal at Port Kembla (Port Kembla Energy Terminal (**PKET**)) developed by Squadron Energy. Jemena and Squadron Energy entered a binding agreement to connect PKET with the EGP. The terminal will inject regasified LNG into the EGP creating new opportunities to help offset the expected decline in demand for traditional EGP services. Construction of PKET is complete. The Floating Storage Regasification Unit (FSRU) to support commencement of PKET operation is currently sub-chartered by Squadron to Egypt. As announced by Squadron it is scheduled at this stage to return to Australia in Q1 2027.

Figure 4.8(1) EGP location

Capacity

The EGP has a current capacity of approximately 130 PJ of gas per annum.

Connecting the EGP to the proposed PKET will allow the EGP to continue to supply gas into the NSW and VIC markets.

A project is underway to reverse the section of the EGP from Port Kembla to Longford to enable firm deliveries of gas into Victoria of up to 270TJ combined from PKET and the existing Orbost gas field. The first phase of the project was completed in Q2 2026.

Demand

Currently the primary demand for gas transportation services on the pipeline comes from industrial customers, gas-powered generators and large retailers supplying industrial, commercial and residential consumers in NSW and the ACT.

According to AEMO's 2026 Gas Statement of Opportunities (**GSOO**), demand for gas on the east coast of Australia is expected to gradually decline in the 20-year forecast period, with an increase in Gas Powered Generation (**GPG**) forecast in the mid-2030s partially offsetting lower forecasts for industrial, residential and commercial customers. EGP competes with the Moomba to Sydney Pipeline and offers competitive tariffs and services to energy wholesalers and retailers who manage diversified supply portfolios.

Approximately 82% of pipeline services revenue for the period ended 31 December 2025 was subject to firm forward, firm backhaul and firm park contracts.

The largest customer of the EGP contributed 34% of revenue for the period ended 31 December 2025, predominantly under long term take-or-pay contracts.

Supply

The historical source of gas supply to the EGP has been the Gippsland Basin. As at December 2024, the Gippsland Basin has estimated 2P reserves of 1,354 PJ and remains a significant source of gas in Eastern Australia. "2P" are those reserves that analysis of geological and engineering data suggests are more likely than not to be recoverable, and there is at least a 50% probability that reserves recovered will exceed proven plus probable reserves). In recent years, the expected decline in Gippsland Basin production has resulted in alternate sources of supply being sought. The PKET was identified in GSOO 2026 as one option to address future supply concerns. Squadron Energy's PKET is targeting for operations to commence in 2027.

4.9 QGP

Background

The QGP is a gas transmission pipeline which links the Wallumbilla Gas Supply Hub in south central Queensland to large industrial users in Gladstone and Rockhampton. Coal seam gas enters the pipeline from gas fields along its route and the natural gas is sourced from the Surat and Bowen Basins. The main pipeline was constructed in 1989 by the Qld State government and commissioned in 1990.

Figure 4.9(1) QGP location

Capacity

The 627 kilometre pipeline is a compressed high pressure pipeline with a capacity of approximately 52 PJ per annum.

Demand

The primary demand for gas transportation comes from large industrial customers, particularly alumina production, ammonium nitrate production, aluminium smelting, magnesia production and chemical manufacturing, in and around Gladstone and Rockhampton in Queensland.

Approximately 93% of pipeline services revenue for the period ended 31 December 2025 was covered by existing long term firm contracts.

Further expansion of the QGP will be subject to the contracting of additional revenue.

Supply

The QGP is connected to both the South West Qld Pipeline and Roma to Brisbane Pipeline at Wallumbilla. Gas is sourced from Wallumbilla and receipt points along the route including Rolleston (North Denison fields) and Westgrove (South Denison fields), Fairview and Moura. Coal seam gas reserves in the region are being developed rapidly with regional sources of conventional and coal seam gas in the Surat and Bowen basin reported at 25,763 PJ (2P) as at December 2024. In 2024 there was a partial restriction of flow on the QGP between March and December due to a loss of containment event. Jemena worked closely with the government and its customers to reduce impact. Pipeline integrity was confirmed through additional pipeline inspection and the pipeline was returned to normal flow. Additional maintenance strategies are being implemented to mitigate future risk. Applicable learnings are being shared with industry.

4.10 VicHub Interconnect Facility

VicHub is a pipeline interconnect facility located in Longford, Vic. and was commissioned in January 2003. VicHub enables gas to flow between the EGP, the TGP and the Victorian wholesale gas market (via APA's Longford to Melbourne pipeline). VicHub also enables nominal withdrawals from the Victorian wholesale gas market. The facility currently requires negligible stay in business capital, is meeting all its performance targets and the asset is in good condition.

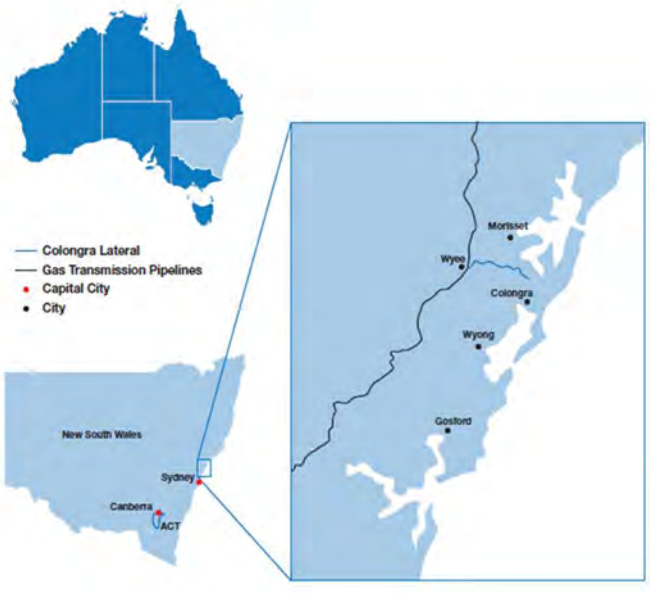
VicHub Interconnect Facility has a nominal daily capacity of 150 TJ/day for injections into the Victorian market and 135 TJ/day for withdrawals, subject to spare capacity being available on the EGP. Injection capacity will increase to 390TJ/d following completion of the Reversal Project which is currently underway. Over 85% of revenue for the period ended 31 December 2025 was covered by existing firm contracts.

4.11 Colongra Gas Transmission and Storage Pipeline

Background

The Colongra gas transmission and storage pipeline was designed and built by Jemena to deliver gas to Snowy Hydro Limited's 667MW gas turbine facility (formerly owned by Delta Electricity) near the existing Munmorah Power Station on the Central Coast of NSW. The pipeline not only transports gas to the power station but also stores enough gas to allow the power station to run at full capacity for five hours.

Figure 4.11(1) Colongra Pipeline location



Capacity

The existing Sydney to Newcastle gas supply cannot meet the peak demand of the Power Station and so the Colongra pipeline is designed to be pressured over a 24-hour, off-peak period and held at pressure until the Power Station is brought on line during peak periods.

The Colongra pipeline includes 3.5 kilometres of 10 inch feeder pipeline, a 42 inch storage pipeline, a compressor station that increases gas pressure from 3.4MPa to 13MPa and a let-down station. It is among the largest diameter on-shore gas pipelines in Australia and is double looped to create 9 kilometres of pipeline storage in a 3 kilometre stretch of land.

4.12 NGP Background

The NGP connects the gas resources in the NT to the east coast gas market. The NGP transports gas approximately 623 kilometres from Tennant Creek in the NT to Mt. Isa, Queensland. The NGP commenced commercial operations in 2019.

In 2024 a project was completed to allow the NGP to be reversed to support delivery of up to 60TJ/d of gas from Queensland into the Northern Territory. This project was designed to provide additional supply resilience due to uncertainty about the viability of traditional NT supply.

Figure 4.12(1) NGP location

Capacity

The NGP is a compressed high pressure pipeline with an initial capacity of approximately 33PJ of gas per annum. Jemena completed works in 2024 to enable NGP reverse flow (western haul) capability of up to 60TJ/day under emergency conditions.

Demand

The primary demand for gas transportation services on the pipeline has come from customers located in Mt Isa, with the annual demand in Mt Isa being in the order of 31 PJ per annum. Any gas supply in excess of Mt Isa demand can be transported to the east coast market, which is forecast to be short of gas in the medium to long term, via APA's Carpentria Gas Pipeline (**CGP**). The additional cost of this transport can make the economics challenging, particularly when gas prices in the southern markets are low-moderate.

As a result of the declining supply in Northern Territory reducing the gas available to transport via the NGP, gas demand in Mt Isa has been increasingly met by supply from east coast production sources.

Supply

The Northern Territory's Bonaparte and Amadeus Basins are reported to have 4,100 PJ and 221 PJ's of 2P reserves as at 2024, respectively. The majority of the Bonaparte gas is converted to LNG for export. Domestic gas has typically been supplied by ENI's Blacktip field and Central Petroleum's Mereenie and Palm Valley fields, with volumes in excess of NT demand flowing to Mt Isa via the NGP. Recent decline in flow from Blacktip has resulted in a shortfall of gas in the NT requiring emergency gas from LNG exporters to fulfil NT demand. ENI completed drilling of an additional well in early 2025 which allowed flows on the NGP to resume. Gas production at Blacktip has been suspended since an outage in November 2025 following cyclone damage. Supply to Darwin continues to be serviced by redirection of gas by LNG Exporters.

In addition to current 2P reserve, the NT has reported onshore contingent gas reserves of 7,461 PJ (2C) as at June 2025, inclusive of the Beetaloo sub-basin shale gas reserves. Small scale production from the Beetaloo Basin is expected from mid-2026.

The NGP is now capable of transporting gas from the east coast into the NT under emergency conditions. Success from ENI drilling or from the Beetaloo should support supply continuing to flow from the NT to Queensland and potentially beyond to the east coast.

4.13 DDP

Background

The DDP consists of three gas transmission pipelines (a total of 292 kilometres in length) that operate as a single network in South East Queensland and stretch from the Darling Downs Power Station via Wallumbilla to Spring Gully. The pipelines were built by Origin in 2009 and subsequently purchased by Jemena in 2017.

The DDP receives gas from several large CSG fields in the Surat and Bowen gas basins via different receipt points. The DDP transports gas through several delivery points to major demand centres including the Wallumbilla gas hub, the Australia Pacific LNG export feedgas pipeline including at Talinga gas plant and the Origin Group's Darling Downs gas fired power station near Dalby.

The DDP is licensed by the Queensland Department of Natural Resources and Mines.

Figure 4.13(1) DDP location

Capacity

Each of the three pipelines that comprise the DDP are capable of bi-directional flows. The capacity across each pipeline varies according to the direction of flow and inlet pressure at the receipt points (ranging from about 40TJ/day to 540TJ/day).

Demand

The demand for DDP's gas transportation services comes from shippers supplying gas for LNG Export, and to meet conventional domestic demand (industrial, commercial and residential users and gas used for power generation).

Supply

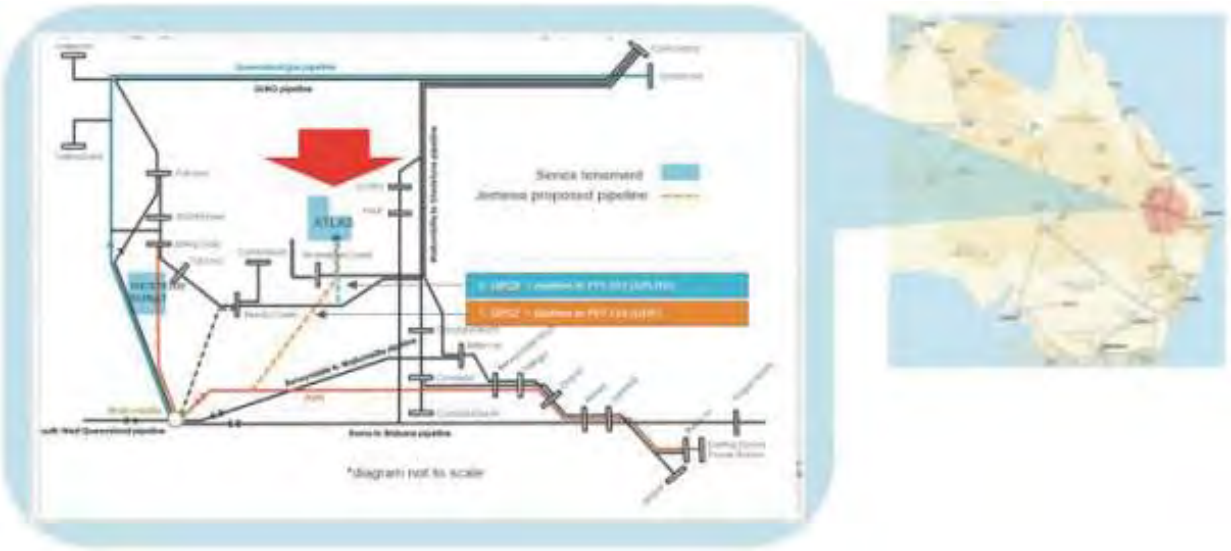
The CSG fields in the Surat and Bowen gas basins have been the historical source of gas for the DDP. Coal seam gas reserves in the Surat and Bowen gas basins are being developed with regional sources of conventional and coal seam gas in the Surat and Bowen basin reported at 25,763 PJ (2P) as at December 2024.

4.14 Atlas Gas Pipeline

Background

The Atlas Gas Pipeline is a 60km pipeline connecting the Atlas Gas processing plant to DDP. From the DDP, Senex have access to a number of potential delivery points, particularly at the Wallumbilla hub.

Figure 4.14(1) Atlas location



Capacity

The 60 kilometre pipeline connecting the Atlas Gas processing plant to DDP has a nameplate capacity of 54TJ/day.

Demand

Senex has executed a long term 'take or pay' contract with Jemena for gas processing and transportation of gas from its Atlas Gas Project production area. Under the requirement of their petroleum lease, Senex must sell their gas to domestic gas customers.

Supply

The Atlas gas field awarded to Senex comprises of 270 PJ of certified 2P gas reserves.

4.15 RNP

In 2019, the Issuer acquired Senex's Roma North 5.2 kilometre gas pipeline connected to the facility transporting gas from Senex's 'Roma North' gas field in the Surat Basin in Qld.

OTHER GAS ASSETS

4.16 Atlas Gas Processing Facility

Background

The Atlas Gas processing plant and pipeline receives raw CSG from Senex's Atlas and adjacent gas fields, compresses and dehydrates the gas to bring it on-specification, and transports it through the Atlas Gas Pipeline.

Capacity

The Atlas Gas processing plant has a nameplate capacity of 48 TJ/d being made up of six operating compressor trains (8 TJ/d each) with a seventh spare compressor train on standby.

Demand

Senex has executed a long term 'take or pay' contract with Jemena for gas processing from its Atlas Gas Project production area. Under the requirement of their petroleum lease, Senex must sell their gas to domestic gas customers.

Supply

The Atlas gas field awarded to Senex comprises of 270 PJ of certified 2P gas reserves. Commissioning of the Atlas gas plant occurred in the fourth quarter of 2021.

4.17 Roma North Gas Processing Facility

In 2019, the Issuer acquired Senex's Roma North gas processing facility (capable of processing up to 16TJ/day). The facility was expanded in 2021 to increase capacity to 24TJ/day. A Debottleneck Project was completed in 2024 to increase capacity to 27 TJ/day, however, it is likely to be constrained to approximately 26TJ/day during summer months.

4.18 Malabar Biomethane Injection Plant

Background

The Malabar Biomethane Injection Plant, operational since 2023, is the first project in Australia to produce biomethane and inject it into a gas network. The project was jointly funded by Jemena and the Australian Renewable Energy Agency (**ARENA**) which contributed up to $5.9 million in grant funding. The Malabar Biomethane Injection Plant is registered under GreenPower's renewable gas certification pilot scheme. With the amendment to the NGERS Emissions Reporting methodology from 1 July 2025, the renewable gas certificates from Malabar biomethane can be purchased by commercial and industrial gas customers to reduce their Scope 1 emissions.

Capacity

Initially, the expected production of the project is 95 terajoules of renewable gas per annum. This is about equivalent to the average annual gas usage of 6,300 NSW homes.

Demand

Origin Energy, the foundation offtaker of biomethane in the first 18 months of Malabar operation, has re-signed an offtake agreement with Jemena to purchase all the biomethane produced at the plant until 31 December 2029.

Supply

Jemena partnered with Sydney Water to upgrade biogas produced from organic waste at the Malabar Water Resource Recovery Facility (**WRRF**) to a quality that meets the required specifications (Australian Standard AS4564:2020) for injection into the natural gas network as compliant gas. The Malabar WRRF is located in the Malabar Headland National Park.

SGSPAA GROUP'S OTHER BUSINESSES

4.17 Zinfra

Zinfra is a services and projects business and is a leading power, gas and utilities service provider, providing a range of services and projects for SGSPAA Group (including JGN, JEN, Gas Pipelines, Other Gas Assets , Evoenergy, UED) and third party clients like AusNet Services, TasNetworks, Transgrid and others.

Zinfra has developed a substantial operational presence across Australia primarily to target the outsourcing of construction and maintenance activities by utilities and adjacent markets such as mining and energy production. Services provided are end-to-end solutions including engineering, design, maintenance, testing and commissioning, network operational services and dispatch, construction and service integration.

5. DIRECTORS AND EXECUTIVE MANAGEMENT

5.1 Directors

The members of the Issuer's Board of Directors are:

Director	Position
Mr. Jiang Longhua	Chairman
Ms. Liu Yanli	Director
Mr. Warwick Leslie Smith AO	Director
Mr. Albert Yeuk Kuk Tse	Director
Mr. Chin Ho Law	Director
Ms. Lena Chia Yue Joo	Director
Mr. Kin Wah Yew	Director
Mr. David Gillespie	Director

Mr. Jiang Longhua, Chairman

Mr. Jiang was appointed chairman and non-executive director of the Issuer on 22 March 2019. In May 2023, Mr Jiang was appointed as the non-executive director of ElectraNet.

Mr. Jiang served as the Executive Vice President of State Grid Corporation of China Tianjin Electric Power Company from July 2018 to February 2019. He has more than 35 years' experience in China's energy sector since 1990 through a range of senior engineering, commercial and management roles.

Mr. Jiang was the Executive Vice President of China Electric Power Equipment and Technology Co. Ltd. from 2015 to 2018 and served as the General Director of the SGCC European Representative Office from 2014 to 2015. From 2015 to 2017, Mr. Jiang was a member of the Board of Directors of Redes Energeticas Nacionais, SGSP, S.A (REN) in Portugal.

From December 2012 to November 2014, Mr. Jiang was Deputy Director of SGCC Australia Representative Office and a member of the Board of Directors of ElectraNet in South Australia.

Mr. Jiang holds both a Bachelor and Masters Degree in Electrical Insulation Technologies from Xi'an Jiaotong University.

Ms. Liu Yanli, Director

Ms. Liu was appointed Board Director and Deputy Managing Director at Jemena in September 2024. She also serves as Chairman of Jemena's Risk, Health, Safety and Environment Committee (RHSEC) and as a member of the Audit and Compliance Committee (ACC).

In January 2025, Ms. Liu was appointed to the ActewAGL Joint Venture Partnerships Board, as well as its Safety, Audit and Risk Committee.

Ms. Liu brings extensive board experience, having served on the boards of listed and unlisted companies in Australia, Italy, Brazil and Hong Kong. With over 20 years in senior executive roles spanning treasury, regulatory, governance, corporate strategy, risk and portfolio management, she has led complex cross-border initiatives. Before joining Jemena, Ms. Liu was Executive Vice President and CFO at State Grid International Development Co. Ltd. (SGID), where she oversaw the Group's global asset portfolio and led strategic international investments, including mergers and acquisitions, across key markets in the Asia-Pacific, Europe, and Latin America.

Ms. Liu is a member of both the Chinese Institute of Certified Public Accountants (CICPA) and the Association of Chartered Certified Accountants (ACCA).

The Hon. Warwick Leslie Smith AO, Director

Mr. Smith is a non-executive director of the Issuer and Chairman of Jemena Northern Gas Pipeline Pty Ltd.

Mr. Smith is also Chairman of the Advisory Board of Australian Capital Equity, holder of interests in SGH Ltd (of which he is a Board Director), Seven West Media Limited, Boral, Coates Hire, Beach Energy, WesTrac and Caterpillar industrial services and equipment in Western Australia and New South Wales. He is also the Chairman of Ord Minnett, Wollar Solar and the Australia-China Energy Transition Dialogue. Formerly, he was the Commonwealth Nominee on the Board of Marinus Link Pty Ltd.

With the Business Council of Australia, Mr. Smith is an Honorary Lifetime Member and immediate past Chairman of the Global Engagement Committee. He is the inaugural business representative for BOAO Forum for Asia and a Committee Member, BOAO Forum for the Asia Expert Committee on Financial Cooperation. He has served as Chairman of the Australia–China Council for over 8 years and was the inaugural Chair of the National Foundation for Australia-China Relations. In addition, he was a Global Trustee of the Asia Society, headquartered in New York and Chairman Emeritus of the Asia Society in Australia.

In 2016, he was the Chair of a Feasibility Study of Second Interconnector to focus on improving Energy Security and maximising Tasmania's Renewable Energy Resources.

Mr. Smith has more than 20 years of experience in banking and financial services, having held senior roles as an Executive Director with the Macquarie Bank Group as well as Chairman New South Wales and Australia Capital Territory and former Senior Managing Director for ANZ Banking Group Limited which included Chairman of ANZ Bank China and Chairman of ANZ Bank Thailand. He has previously been Chairman of E*TRADE Limited; Board Director of Estia Health Ltd and Chairman of the Australian Sports Commission. He was also Chairman of the National Museum of Australia, the Australia-China Council and the National Foundation for Australia-China Relations.

Mr. Smith was an Australian Federal Government Minister with a parliamentary career spanning 15 years. He was Australia's first Telecommunication Ombudsman and has received a Centenary Medal and has twice been awarded an Order of Australia.

Mr. Albert Yeuk Kuk Tse, Director

Mr. Tse is a non-executive director of the Issuer. Mr. Tse was previously Legal Representative of Macquarie Investment Advisory (Beijing) Co. Ltd until August 2014. As an investment banker, Mr. Tse has been involved in various merger and acquisition transactions as well as initial public offerings of Chinese companies, particularly those that operate in the infrastructure, utilities and financial sector. He is the Founder and Chairman of Wattle Hill Capital, a private equity firm focused on investments in Australia.

Mr. Tse previously worked in London for Macquarie Capital focused on the European infrastructure sector. Mr. Tse qualified as a Chartered Accountant in Australia while working for PricewaterhouseCoopers in 2005. Mr. Tse is a Justice of the Peace and was admitted as a Legal Practitioner to the Supreme Court of Queensland, Australia in 2003.

Mr. Chin Ho Law, Director

Mr. Law is a non-executive director of the Issuer. He is the Chief Operating Officer of SP Group. He assumed this role in April 2025 and is responsible for corporate strategy and development, investments, regulatory management and sustainability. He is also currently Chairman of PowerGas Limited.

Prior to his current appointment, Mr. Law was the Chief Executive Officer of SP Services Ltd between July 2020 and March 2025 and was also previously Managing Director (Chairman's Office) for SP PowerGrid Ltd.

Mr. Law has been with the SP Group for more than 20 years and had also previously assumed leadership roles across various functions, including finance, treasury, regulatory affairs, strategic investments and procurement as well as with SP AusNet (now known as AusNet) where he was based in Australia. He began his career as an auditor with PricewaterhouseCoopers before joining SP Group.

Mr. Law holds a Bachelor's degree (First Class Honours) in Accountancy from Nanyang Technological University. He is also a Chartered Accountant and Certified Financial Analyst.

Ms. Lena Chia Yue Joo, Director

Ms. Chia is the Chief Legal Officer of SP Group. A former member of Temasek's senior management team, Ms Chia was the Managing Director of the Legal and Regulations division of Temasek from 1 January 2005 to 9 June 2014. Prior to joining Temasek, Ms Chia was a lawyer in private practice until 1994, when she joined the Singapore Technologies group as an in-house counsel. She held various positions in the Singapore Technologies group, the last being Director, Legal, heading up the Legal team of Singapore Technologies Pte Ltd.

Ms. Chia also sits on the boards of directors of several companies including SP Group Treasury Pte. Ltd., SP Real Estate Holdings Pte. Ltd., SPace Pte. Ltd., SP Innovation Pte. Ltd., Singapore Power International Pte. Ltd., SPI Energy Investments Pte. Ltd. and SP PowerInterconnect Pte. Ltd.

Ms. Chia holds a Bachelor of Laws (Honours) degree from the National University of Singapore and has been admitted as an advocate and solicitor of the Supreme Court of Singapore. Ms. Chia also attended the Advanced Management Program at Harvard Business School in 2012.

Mr. Kin Wah Yew, Director

Mr. Yew was appointed Board Director of the Issuer in December 2025. He also serves as Chairman of the Funding & Disclosure Committee and is a member of the Audit and Compliance Committee.

Mr. Yew has served as the Deputy Managing Director of the Issuer since April 2018, and is a Board Director of all wholly owned subsidiaries of SGSPAA since October 2018. Since February 2021, he has also been a Member (Alternate) of the ActewAGL Joint Venture Partnerships Board, as well as its Remuneration Committee, and Safety, Audit and Risk Committee.

With over 16 years' experience in international banking, Mr. Yew had working stints in Tokyo, Paris and Hong Kong. His professional background included senior roles in corporate banking, treasury, risk management, and asset and liability management, prior to joining the SP Group in 2004.

During his tenure with the SP Group, Mr. Yew was closely involved in the Group's mergers and acquisitions activities in Australia. He served as the Head of SP's Group Treasury and played a key role in establishing the treasury and capital management framework for SP Group's Australian operations.

In March 2014, Mr. Yew was appointed Managing Director, Finance, with overall responsibility for the SP Group's key financial functions and related performance.

Mr. Yew holds a Bachelor of Business Administration from the National University of Singapore and a Master of Applied Finance from Macquarie University, Sydney. He is also a member of the Australian Institute of Company Directors.

Mr. David Gillespie, Director

Mr. Gillespie commenced as the Managing Director of the Issuer on 1 December 2023. He has been on the Board of Directors of all SGSPAA's wholly owned subsidiaries since August 2017.

Since September 2023 he has also been a Member of the ActewAGL Joint Venture Partnerships Board and appointed as chairman in October 2025, as well as its Remuneration and Succession Committee. In October 2023, Mr. Gillespie was appointed to the Board of United Energy Distribution Holdings Pty Ltd and its subsidiaries.

Mr. Gillespie was the Chief Financial Officer of the Issuer prior to his appointment as the Managing Director and was responsible for the finance functions of the SGSPAA Group, including corporate finance, treasury, financial management, taxation and shared financial services.

Prior to his appointment as CFO, Mr. Gillespie was employed by SGSPAA as the General Manager Corporate Finance since 2007 where he was responsible for long term financial planning, treasury and performance of minority equity investments. In this role he was intimately involved in the strategic planning, corporate finance, capital management and financial reporting functions for the group.

Prior to joining SGSPAA, Mr. Gillespie held finance roles at Alinta Limited and Deloitte covering disciplines of corporate finance, financial reporting, risk, audit and assurance.

Mr. Gillespie is a member of the Murdoch Children's Research Institute Audit, Finance and Risk Management Committee and a member of the Victorian Clinical Genetics Services Board.

He has a Bachelor of Commerce and a Bachelor of Economics from the University of Queensland and is a member of the Institute of Chartered Accountants in Australia.

5.2 Leadership Team

The members of SGSPAA Group's senior leadership team are set out below:

Managing Director — Mr. David Gillespie

Refer to Mr. David Gillespie's biography above.

Deputy Managing Director — Ms. Liu Yanli

Refer to Ms. Liu's biography above.

Deputy Managing Director — Mr. Kin Wah Yew

Refer to Mr. Yew's biography above.

Chief Financial Officer — Ms. Kate Webster

Ms. Webster joined Jemena in early 2024. As Chief Financial Officer, she is responsible for the finance functions of the SGSPAA Group, including corporate finance, treasury, financial control, taxation, procurement property & fleet and shared financial services. Ms. Webster is also the executive responsible for the commercial and operational performance of Jemena's gas processing assets and connected pipelines. Prior to joining Jemena, Ms. Webster held several roles including most recently as CFO and co-CFO for a number of Australian-based energy infrastructure business.

Ms. Webster's experience also includes working for professional services firm Deloitte, specializing in the energy sector in both Australia and the United Kingdom. She also has a deep understanding of ESG frameworks in a financial context.

Ms. Webster holds a Bachelor of Arts (Finance Economics) from the University of Liverpool and is a Fellow of the Institute of Chartered Accountants in England and Wales.

Executive General Manager Electricity Networks — Dr. Shaun Reardon

Dr. Reardon is responsible for the oversight of the Issuer's Regulated Distribution Business which services electricity customers in the north-west of Melbourne. This includes responsibility for strategy, commercial, customer services, asset management, and network operations. Dr. Reardon was previously SGSPAA Group's Executive General Manager Jemena Networks.

Dr. Reardon has over 25 years' experience in the energy industry, having held management positions in marketing, regulatory, management, strategy and commercial. Dr. Reardon holds a Master of Marketing, a PhD in Mechanical Engineering and is a Graduate member of the Australian Institute of Company Directors. Dr. Reardon is a past President of the Australian Pipeline and Gas Association.

Executive General Manager Gas Networks — Nerise Cook

Ms. Cook was appointed to the role of Executive General Manager Gas Networks in March 2026 and is responsible for the oversight of the Issuer's Gas Distribution Network which serves 1.5M gas users in New South Wales. This includes responsibility for strategy, commercial, financial performance, customer services, asset management, and network operations.

Ms. Cook has over 17 years' experience in the energy industry, having held management positions in commercial, strategy and construction. Ms. Cook holds a Master of Business Administration, a Master of Commercial Law and is a Graduate member of the Australian Institute of Company Directors.

Group Chief Strategy Officer – SGSPAA and Managing Director Zinfra — Mr. Peter Iancov

Mr. Iancov is a professional engineer and a Fellow of the Institution of Engineers Australia. He has over 32 years' expertise gained in the infrastructure industry, including gas and electricity transmission and distribution, mining, commercial construction, contracting and defence sectors as a CEO, Director and Advisor with business partnerships forged across Australian and multinational organisations.

In his previous executive roles, he has been instrumental in securing and delivering multibillion dollar major projects in Western Australia and nationally. He has a strong background in the successful delivery of strategic multidisciplinary programs, commercial and contractual risk, governance, systems development, financial and risk management.

Mr. Iancov held non-executive Board portfolios at a number of organisations that operate in Defence, Energy, Oil & Gas, Critical Infrastructure, Engineering, Property and Aboriginal sectors and is currently a director of Tasmanian Development Board, Yamatji Enterprises Ltd and a past director of Australian Naval Infrastructure, Western Power, Australian Submarine Corporation, Valmec Ltd, Aerison Ltd, Southern Ports Authority, APD Power and D+D Property Group and Scouts WA.

In addition, in 2013 Mr. Iancov founded Chronos Advisory Pty Ltd — a strategic advisory platform operating at board, investor and shareholder level in the private, public, government, insurance and private equity sectors. Key areas of expertise extend across major asset development and management in energy, infrastructure, oil & gas and defence.

Executive General Manager People, Safety and Governance — Mr. Craig Ypinazar

Mr. Ypinazar has more than 20 years' experience across industries including mining, transport and energy. Mr. Ypinazar has previously held senior positions in BHP, Rio Tinto and Yarra Trams. He was a lawyer for Herbert Smith Freehills Kramer for almost 10 years and has worked across Australia, Japan and Chile.

In April 2024, Mr. Ypinazar was appointed to the Board (Alternate) of United Energy Distribution Holdings Pty Ltd and its subsidiaries.

Mr. Ypinazar holds a Bachelor of Laws degree (Queensland University of Technology) and Bachelor of Arts (Modern Asian Studies) from Griffith University. He was admitted as a Solicitor of the Supreme Court of Queensland. In 2022, Mr Ypinazar completed the Harvard Advanced Management Program and he is a Graduate Member of the Australian Institute of Company Directors.

Executive General Manager Gas Markets — Mr. Cameron Dorse

Mr. Dorse joined Jemena in 2006. As Executive General Manager, Gas Markets, he is responsible for the commercial and operational performance of Jemena's billion-dollar gas transmission pipeline assets and associated major gas projects.

Mr. Dorse is also responsible for the delivery of asset management and operational services across all of Jemena's gas transmission pipeline assets and gas processing assets.

Prior to commencing as Executive General Manager, Gas Markets, Mr. Dorse was Chief Digital Officer at Jemena. He has more than 20 years' experience in the energy industry, having held CIO positions and senior business operational roles within Alinta, TRUEnergy and TXU. He also has significant international experience rolling out new IT systems and processes for Mars Inc. across Asia and China.

Mr. Dorse holds a Masters of Science degree in Biometry from Reading University and a Bachelor of Science Degree (Honours) in Mathematics and Statistics from Edinburgh University. Mr. Dorse is a Graduate Member of the Australian Institute of Company Directors.

Chief Digital Officer — Mrs. Julien Capraro

Mrs. Capraro has responsibility for the transformation and simplification of the Issuer's digital technology function and development and deployment of the Issuer's wider digital strategy. She has more than 20 years' experience in leading Digital functions having held positions in Strategy, Delivery and Operational roles within Manufacturing, Postal, Financial & Investment

Services, Healthcare, FMCG and Postal sectors. Mrs Capraro also has Global experience rolling out new IT systems and processes for Fosters Group.

Mrs. Capraro holds a Bachelor of Information Technology Degree from Royal Melbourne Institute of Technology.

TAXATION

Australian Taxation

*The following is a summary of the taxation treatment under the Income Tax Assessment Act 1936 of Australia and where applicable, the Income Tax Assessment Act 1997 of Australia (**Tax Act**), at the date of this Offering Circular, of payments of interest (as defined in the Tax Act) on the Notes and certain other matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of holders of the Notes (including, dealers in securities, custodians or other third parties who hold the Notes on behalf of any absolute beneficial holders of the Notes) nor does it deal with the Australian tax treatment of any Index Linked Notes or Dual Currency Notes; should the Issuer issue Notes of such kind, the Australian tax treatment of those Notes will be addressed in the applicable Final Terms.*

*The taxation summary is based on the Australian taxation laws in force and the administrative practices of the Australian Taxation Office (the **ATO**) generally accepted as at the date of this Offering Circular. Any of these may change in the future without notice and legislation introduced to give effect to announcements may contain provisions that are currently not contemplated and may have retroactive effect.*

The following is a general guide and should be treated with appropriate caution. Prospective holders of the Notes should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

Offshore holders

Interest (which for the purposes of withholding tax is defined in section 128A(1AB) of the Tax Act to include amounts in the nature of, or in substitution for, interest and can include certain other amounts, such as amounts representing a discount on a Note) on debentures and certain other debt interests will be subject to interest withholding tax **(IWT)** at a current rate of 10 per cent, where the interest is paid to a non-resident of Australia and is not derived in carrying on business in Australia at or through an Australian permanent establishment of the non-resident, or the interest is paid to an Australian resident who derives the interest in carrying on business in a country outside Australia at or through a permanent establishment of that Australian resident in that country.

Various exemptions are available from interest withholding tax, including the "public offer" exemption, tax treaty exemptions, and pension fund exemption (each discussed further below).

Interest withholding tax

An exemption from Australian IWT imposed under Division 11A of Part III of the Tax Act is available in respect of the Notes under section 128F of the Tax Act if all the following conditions are satisfied:

- the Issuer is a resident of Australia when it issues the Notes;
- the Issuer is a resident of Australia when interest (as defined in section 128A(1AB) of the Tax Act) is paid. Interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts;
- the Notes are issued in a manner which satisfies the "public offer test" as outlined in section 128F of the Tax Act. The "public offer test" should be satisfied where the Notes (whether in global form or otherwise) are offered for issue:

  (A) to 10 or more lenders who are carrying on the business of providing finance, or investing or dealing in securities, in the course of operating in the financial market who are not associates of each other for the purposes of section 128F(9) of the Tax Act; or

  (B) to at least 100 investors who have acquired debentures in the past or are likely to be interested in acquiring debentures; or

  (C) as a result of being accepted for listing on a stock exchange under an agreement requiring listing; or

  (D) publicly in electronic form, or in another form, that was used by financial markets for dealing in debentures or debt interests; or

  (E) to a dealer, manager or underwriter who under an agreement offers to sell the Notes within 30 days by one of the preceding methods;

- the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Notes or interests in the Notes were being, or would later be, acquired, directly or indirectly, by an "associate" of the Issuer, except as permitted by section 128F(5) of the Tax Act; and
- at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an "associate" of the Issuer, except as permitted by section 128F(6) of the Tax Act.

Associates

An "associate" of the Issuer for the purposes of section 128F of the Tax Act (as defined in section 128F(9), by reference to section 318 of the Tax Act) refers to entities such as natural persons, companies, trustees and partnerships that by reason of a family or business connection are regarded as associates of a particular entity.

The associate test operates to determine whether an entity is an associate of the Issuer. The associate test also considers whether the potential lenders are themselves associated with each other.

Where the Issuer and lenders are companies, associates of the Issuer/lender will broadly include:

- an entity who (together with its associates) holds a majority voting interest in the Issuer/lender;
- an entity who (together with its associates) sufficiently influences the Issuer/lender;
- an entity who is controlled by the Issuer/lender (and its associates) through a majority voting interest; or
- an entity that is sufficiently influenced by the Issuer/lender (and its associates).

Section 318(6) of the Tax Act provides that:

'a company is sufficiently influenced by an entity or entities if the company, or its directors, are accustomed or under an obligation (whether formal or informal), or might reasonably be expected, to act in accordance with the directions, instructions or wishes of the entity or entities (whether those directions, instructions or wishes are, or might reasonably be expected to be, communicated directly or through interposed companies, partnerships or trusts)'.

Where the Issuer/lender is capable of benefiting (whether directly or indirectly) under a trust, associates of the Issuer/lender will include the trustee of such trusts.

Where the Issuer/lender is a person or entity who is an "associate" of another person or company which is an "associate" of the Issuer under any of the foregoing then they will be associates for the purposes of section 128F(9) of the Tax Act.

However, for the purposes of sections 128F(5) and (6) of the Tax Act (see the fourth and fifth bullet points above in the section titled "Interest withholding tax"), "associate" only includes an Offshore Associate which is defined as follows:

- a non-resident of Australia that does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia; or
- a resident of Australia that acquires the Notes in carrying on business at or through a permanent establishment outside of Australia,

and

(A) in the case of section 128F(5), is not acquiring the Notes in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme (within the meaning of the Corporations Act); or

(B) in the case of section 128F(6), is not receiving payment of interest in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme.

Compliance with section 128F of the Tax Act

The Issuer intends to issue the Notes in a manner that satisfies the requirements of the exemption from Australian IWT as outlined above.

Pursuant to the Programme Agreement entered into between the Dealers and the Issuer, the relevant Dealer must not, as part of the primary distribution of any Tranche of Notes, sell any relevant Notes to any person that the employees of such Dealer directly involved in the sale of the Notes actually know or have reasonable grounds to suspect, or that the Issuer has notified the Dealer, is an Offshore Associate of the Issuer.

If any employee of a relevant Dealer effecting the sale, or otherwise directly involved in the sale of the Notes, does not know, or does not have reasonable grounds to suspect, that a person is an Offshore Associate, then the relevant Dealer is not obliged to make positive inquiries of that person, to confirm that such person is not such an Offshore Associate.

On that basis, no deduction or withholding in respect of Australian IWT should be required to be made from any payment of principal or interest made by the Issuer in respect of the Notes.

Double tax agreements

An exemption from Australian IWT may also be available for holders of the Notes that are resident in a country with which Australia has signed a double tax agreement **(DTA)** that exempts the payment of interest to that holder from Australian IWT.

Some of Australia's DTAs with other countries may exempt interest from IWT where that interest is derived by:

(a) the governments of the relevant countries and certain governmental authorities, agencies and central banks in those countries; or

(b) a "financial institution" resident in the relevant country which is unrelated to, and dealing wholly independently with, the Issuer. The term "financial institution" refers to either a bank or any other enterprise which substantially derives its profits by raising debt finance in financial markets or taking deposits and using those funds in carrying on a business of raising and providing finance. However, interest paid under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.

Most relevantly, Australia's DTAs with the UK, the United States of America, Japan, France, Norway, South Africa, Finland, New Zealand, Switzerland, Germany and Iceland provide for these exemptions.

Prospective holders of the Notes should obtain their own independent tax advice as to whether any of the exemptions under a relevant DTA may apply to their particular circumstances. A listing of DTAs is available to the public at the Federal Treasury's Department website: https://treasury.gov.au/tax-treaties/income-tax-treaties/.

Pension fund exemption

An exemption may be available in respect of interest paid to a non-resident superannuation fund where that fund is a superannuation fund maintained only for foreign residents and the interest arising from the Notes is exempt from income tax in the country in which such superannuation fund is resident, subject to relevant conditions being satisfied. However, this exemption may not apply if the fund for example: (a) has had an ownership interest (direct and indirect) of 10 per cent or more in the Issuer over a relevant period of time; or (b) has direct or indirect influence over the Issuer's key decision making.

Other tax matters

Under Australian laws as presently in effect:

- *income tax* — offshore holders of the Notes — assuming the requirements of section 128F of the Tax Act are satisfied with respect to the Notes, payments of principal and interest (as defined in section 128A(1AB) of the Tax Act) to a Noteholder, who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes; and

- *gains on disposal of Notes* — offshore holders of the Notes — a Noteholder, who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realised during that year on sale or redemption of the Notes, provided such gains do not have an Australian source. A gain arising on the sale of the Notes by a non-Australian resident holder to another non-Australian resident where Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia would not generally be regarded as having an Australian source. The notes will not constitute taxable Australian property where, broadly, they are not business assets of a permanent establishment in Australia; and

- *deemed interest* — there are specific rules that can apply to treat a portion of the purchase price of Notes as interest for withholding tax purposes when certain Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian resident (who does not acquire them in the course of carrying on business at or through a permanent establishment outside Australia) or a non-resident who acquires them in the course of carrying on business at or through a permanent establishment in Australia. These rules do not apply in circumstances where the deemed interest would have been exempt under section 128F of the Tax Act if the Notes had been held to maturity by a non-resident; and

- *death duties* — no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death; and

- *stamp duty and other taxes* — no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Notes provided that at the time of the issue, transfer or the formation of any agreement to issue or transfer the Notes, the Notes are "debt interests" for the purposes of Division 974 of the Tax Act as described below; and

- *other withholding taxes on payments in respect of Notes* — section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia (the **Taxation Administration Act**) imposes a type of withholding tax at the rate of 47% on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number (**TFN**), (in certain circumstances) an Australian Business Number (**ABN**) or proof of some other exception (as appropriate). Assuming the requirements of section 128F of the Tax Act are satisfied with respect to the Notes, then the requirements of section 12-140 do not apply to payments to a Noteholder in registered form who is not a resident of Australia and not holding those Notes in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of holders of the Notes in registered form may be subject to a withholding where the Noteholder does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate); and

- *supply withholding tax* — "Supply withholding tax" imposed under section 12-190 of Schedule 1 to the Taxation Administration Act will not apply to the payment of the principal in respect of the Notes, however, may apply in limited circumstances where the payment of interest is made to non-Australian resident holders where the supply was made by the non-resident in the course or furtherance of an enterprise in Australia, but where the non-Australian resident holder is not required to possess an ABN; and

- *goods and services tax (GST)* — there is no taxable supply resulting from the issue, receipt or transfer of the Notes under the A New Tax System (Goods and Services Tax) Act 1999 (**GST Act**) on the basis that the supply of Notes will be either an input taxed financial supply or a GST-free supply or an out of scope supply (depending on the circumstances of the holder of the Notes). Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of Notes should be subject to GST or give rise to a taxable supply under the GST Act; and

- *debt/equity rules* — Division 974 of the Tax Act contains tests for characterising debt (for all entities) and equity (for companies) for Australian tax purposes, including for the purposes of dividend withholding tax and IWT. The Issuer intends to issue Notes which are to be characterised as "debt interests" for the purposes of the tests contained in Division 974 and the returns paid on the Notes are to be "interest" for the purpose of section 128F of the Tax Act; and

- *additional withholdings from certain payments to non-residents* — section 12-315 of Schedule 1 to the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents. However, section 12-315 expressly provides that the regulations will not apply to interest and other payments which are already subject to the current IWT rules or specifically exempt from those rules. Further, regulations may only be made if the responsible minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations promulgated prior to the date of this Offering Circular are not relevant to any payments in respect of the Notes. Any further regulations should also not apply to repayments of principal under the Notes, as in the absence of any issue discount, such amounts will generally not be reasonably related to assessable income. The possible application of any future regulations to the proceeds of any sale of the Notes will need to be monitored; and

- *garnishee directions by the Commissioner of Taxation* — the Commissioner of Taxation may give a direction requiring the Issuer to deduct from any payment to a holder of the Notes any amount in respect of Australian tax payable by holders of the Notes. If the Issuer is served with such a direction, then the Issuer will comply with that direction and will make any deduction required by that direction and will not be required to pay any additional amount to the holder on account of the amount withheld and paid to the Commissioner of Taxation; and

- *taxation of foreign exchange gains and losses* — Divisions 775 and 960 of the Tax Act contain rules to deal with the taxation consequences of foreign exchange transactions. The rules are complex and may apply to any holders of the Notes who are Australian residents or non-residents that hold the Notes in the course of carrying on business in Australia. Any such Noteholder should consult their professional advisors for advice as to how to tax account for any foreign exchange gains or losses arising from their holding of the Notes; and

- *taxation of financial arrangements* — Division 230 of the Tax Act imposes a regime for the taxation of financial arrangements issued, or held, by Australian residents (or non-residents operating through an Australian permanent establishment) (the **TOFA regime**). The TOFA regime as enacted does not contain any measures that would override the exemption from Australian IWT available under section 128F of the Tax Act.

Payments under the Guarantee

The ATO has expressed a view that payments by a guarantor in respect of a debt instrument may be exempt from Australian IWT under section 128F of the Tax Act if those payments would have been exempt had they been made by the issuer of the debt instrument. The basis for this view is that the amounts paid by the guarantor are said to be "in the nature of interest" and therefore interest for the purposes of the Tax Act. The opposing view is that the payments that may be required to be made by the Guarantors would not be interest and therefore would not be subject to Australian IWT in any event. If Australian withholding tax is payable in respect of payments of interest made by the Guarantors to non-resident holders, the Guarantors must pay additional amounts in accordance with the procedure set out below.

Interest on bearer securities

Pursuant to section 126 of the Tax Act, payments of interest in respect of Notes may be subject to Australian withholding tax at the rate of 45% if the Notes are in bearer form and the Issuer does not provide the names and addresses of the holders of the Notes to the Commissioner of Taxation. No such withholding is required if the Notes are held by non-resident holders (that do not hold the Notes in the course of carrying on a business at or through a permanent establishment in Australia) where the exemption provided by section 128F of the Tax Act is available or if Australian IWT is payable. However, section 126 of the Tax Act will apply to resident holders. The Issuer intends to treat operators of clearing systems as the holders of the Notes for these purposes.

Payment of additional amounts

If an amount of Australian withholding tax is required to be deducted or withheld by the Issuer (or a Guarantor) from payments of interest in relation to the Notes, then the Issuer or Guarantors (as the case may be) must, subject to certain exceptions set out in Condition 9 (*Taxation*) of the Notes, pay an additional amount that would result in the holders of the Notes receiving an amount equal to that which they would have received had no such deduction or withholding been made. In such circumstances and subject to the **Terms and Conditions**, the Issuer will have the option to redeem the Notes.

Australian Resident holders

The income received by Australian resident holders, and non-residents who hold the Notes in the course of carrying on business at or through a permanent establishment in Australia, in respect of the Notes will be included in the assessable income of those holders for Australian income tax purposes. Such holders that derive a gain on a sale or redemption of Notes may be subject to Australian tax on such gain.

Foreign Account Tax Compliance Act

Pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **U.S. Tax Code**), or otherwise imposed pursuant to Sections 1471 through 1474 of the U.S. Tax Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (collectively **FATCA**), withholding may be required on (i) "withholdable payments" (i.e., certain U.S.-source payments, including interest (and original issue discount), dividends, dividend equivalent amounts (as described below in "U.S. Dividend Equivalent Withholding"), other fixed or determinable annual or periodical gain, profits, and income) and (ii) "foreign passthru payments" made to certain financial institutions (and certain of their affiliates) and non-U.S. persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a financial institution for these purposes. A number of jurisdictions (including Australia) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a financial institution may be required to withhold from payments that it makes.

Pursuant to proposed U.S. Treasury regulations, withholding under FATCA will not apply to gross proceeds on a sale or disposition of a debt obligation that can produce U.S.-source interest, and will apply to certain foreign passthru payments made after the date that is two years after final regulations defining the term "foreign passthru payment" are filed with the U.S. Federal Register. The proposed U.S. Treasury regulations provide that taxpayers may rely on such regulations until the issuance of final regulations. In addition, withholding under FATCA will not apply to the Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal income tax purposes that give rise solely to foreign passthru payments if such Notes are issued on or before the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the U.S. Federal Register. As of the date hereof, no such final regulations have been published. If additional Notes (as described under "Terms and Conditions of the Notes — Further Issues") that are not distinguishable from such previously issued grandfathered Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. If withholding is required under FATCA, the Issuer (or the applicable paying agent) will not be required to pay additional amounts with respect to the amounts so withheld.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their own tax advisers on how these rules may apply to the Issuer, the Guarantors and to payments they may receive in connection with the Notes.

U.S. Dividend Equivalent Withholding

Under Section 871(m) of the U.S. Tax Code, "dividend equivalent" payments under certain financial instruments are treated as U.S. source dividends. Such payments, including deemed payments, generally would be subject to a 30 per cent. (or lower treaty rate) U.S. withholding tax. A "dividend equivalent" payment, among other things, includes any amount paid or deemed paid to a non-U.S. person with respect to a "specified equity-linked instrument" that references one or more U.S. equity securities. Certain Notes may be treated as a specified equity-linked instrument for this purpose (the **Specified Notes**). The withholding tax may potentially apply even if the instrument does not provide for payments that reference dividends. The IRS has issued guidance that states that the Treasury and the IRS intend to amend the effective dates of the Treasury regulations to provide that withholding on dividend equivalents paid or deemed paid will not apply to specified equity-linked instruments that are not delta one specified equity-linked instruments and are issued before 1 January 2027.

If the terms of a Note are subject to a "significant modification" (as defined for U.S. federal income tax purposes), the Note generally would be treated as retired and reissued on the date of such modification for purposes of determining, based on economic conditions in effect at that time, whether such Note is a Specified Note. Similarly, if additional Notes of the same series are issued (or deemed issued for U.S. tax purposes, such as certain sales of Notes out of inventory) after the original issue date, the IRS could treat the issue date for determining whether the existing Notes are Specified Notes as the date of such subsequent sale or issuance. Consequently, a Note that was not a Specified Note might be treated as a Specified Note following such modification or further issuance.

In addition, payments on the Specified Notes may be calculated by reference to dividends on underlying U.S. securities that are reinvested at a rate of 70 per cent. In such case, in calculating the relevant payment amount, the holder will be deemed to receive, and the Issuer (or the applicable withholding agent) will be deemed to withhold, 30 per cent, of any dividend equivalent payments (as defined in Section 871(m) of the U.S. Tax Code) in respect of the relevant U.S. securities.

If withholding under Section 871(m) is required on any Specified Note, the Issuer (or the applicable paying agent) will not be required to pay additional amounts with respect to the amounts so withheld.

The applicable Final Terms will indicate whether the Issuer has determined that Notes are Specified Notes and may specify contact details for obtaining additional information regarding the application of Section 871(m) to Notes. A non-U.S. holder of Specified Notes should expect to be subject to withholding in respect of any underlying dividend-paying U.S. securities. The Issuer's determination is binding on non-U.S. holders of Notes, but it is not binding on the IRS. The Section 871(m) regulations require complex calculations to be made with respect to Notes linked to U.S. securities and their application to a specific issue of Notes may be uncertain. Prospective investors should consult their own tax advisers regarding the potential application of Section 871(m) to the Notes.

Singapore Taxation

*The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the relevant authorities applicable as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars or the interpretation of those laws, guidelines or circulars occurring after such date, which changes could be made on a retroactive basis, including amendments to the Income Tax (Qualifying Debt Securities) Regulations to include the conditions for the income tax and withholding tax exemptions under the qualifying debt securities (**QDS**) scheme for early redemption fee (as defined in the Income Tax Act 1947 of Singapore (the **ITA**)) and redemption premium (as such term has been amended by the ITA). Neither those statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to acquire, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive tax incentive(s)) may be subject to special rules or rates of tax. Prospective holders of the Notes are advised to consult their own tax advisors as to the Singapore or other tax consequences of the acquisition, ownership of or disposition of the Notes, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of the Notes.*

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on

outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17%. The applicable rate for non-resident individuals is currently 24%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15%. The rate of 15% may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium from debt securities, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

Foreign-sourced income received or deemed to be received in Singapore from outside Singapore is subject to income tax in Singapore, subject to certain exemptions.

All foreign-sourced income received or deemed received in Singapore on or after 1 January 2004 by Singapore tax-resident individuals is exempt from Singapore income tax, provided such foreign-sourced income is not received through a partnership in Singapore. Further, all foreign-sourced income received in Singapore by any individual who is not resident in Singapore is exempt from Singapore income tax.

References to "early redemption fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as given in the ITA.

The terms **early redemption fee** and **redemption premium** are defined in the ITA as follows:

"early redemption fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities; and

"redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities.

Under the QDS Scheme, with respect to any Tranche of the Notes which are debt securities issued under the Programme (the **Relevant Notes**) during the period from the date of this Offering Circular to 31 December 2028 where, pursuant to the ITA, more than half of the issue of such Relevant Notes are distributed by Specified Licensed Entities (as defined below), such Relevant Notes would be QDS for the purposes of the ITA, to which the following treatment shall apply:

(a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, early redemption fee or redemption premium from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds and profits from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively, the **Specified Income**) from the Relevant Notes, paid by the Issuer and derived from Singapore by a holder who is not resident in Singapore and who (i) does not have any permanent establishment in Singapore or (ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore are exempt from Singapore tax;

(b) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Specified Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore, other than any non-resident who qualifies for the tax exemption as described in paragraph (a) above, is subject to tax at a concessionary rate of 10% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(c) subject to:

(i) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, early redemption fee or redemption premium derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(ii) the furnishing by the Issuer or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

payments of Specified Income derived from the Relevant Notes are not subject to withholding of tax (if any) by the Issuer.

Notwithstanding the foregoing:

(i) if during the primary launch of any Tranche of Relevant Notes, such Relevant Notes are issued to fewer than four persons and 50% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and

(ii) even though a particular Tranche of Relevant Notes are QDS, if at any time during the tenure of such Tranche of Relevant Notes, 50% or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Specified Income derived from such Relevant Notes held by:-

(aa) any related party of the Issuer; or

(bb) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary tax rate described above.

Pursuant to the ITA, the reference to the term **Specified Licensed Entity** above means:

a) a bank or merchant bank licensed under the Banking Act 1970 of Singapore;

b) a finance company licensed under the Finance Companies Act 1967 of Singapore; or

c) a person who holds a capital markets services licence under the SFA to carry on a business in any of the following regulated activities: advising on corporate finance or dealing in capital markets products.

The term **related party**, in relation to a person *(A)*, means any person (a) who directly or indirectly controls *A*; (b) who is being controlled directly or indirectly by *A*; or (c) who, together with *A*, is directly or indirectly under the control of a common person.

Where interest, discount income, early redemption fee or redemption premium (that is, the Specified Income) is derived from the Relevant Notes by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Notwithstanding that the Issuer is permitted to make payments of Specified Income in respect of the Relevant Notes without deduction or withholding of tax under Section 45 or Section 45A of the ITA, any person whose interest, discount income, early redemption fee or redemption premium (that is, the Specified Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

2. Gains on Disposal of Notes

Any gains considered to be in the nature of capital made from the sale of the Notes will generally not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

There are no specific laws or regulations which deal with the characterisation of capital gains. The characterisation of the gains arising from a sale of the Notes will depend on the individual facts and circumstances of the holder and relating to that sale of the Notes.

Pursuant to Section 10L of the ITA, gains received or deemed to be received in Singapore by an entity of a relevant group from the sale or disposal of any movable or immovable property outside Singapore (**Section 10L Foreign Assets**) will be treated as income chargeable to Singapore income tax, subject to certain exclusions. Where the Notes are regarded as such Section 10L Foreign Assets, gains received or deemed to be received in Singapore from the sale or disposal of the Notes may be treated as income chargeable to Singapore income tax in the hands of the Noteholders who fall within the scope of Section 10L of the ITA. Noteholders

who may be subject to the tax treatment under Section 10L of the ITA should consult their own professional tax advisers regarding the Singapore income tax consequences of their sale or disposal of the Notes.

Holders of the Notes who apply, or who are required to apply, Singapore Financial Reporting Standard 109 — Financial Instruments (**FRS 109**) or Singapore Financial Reporting Standard (International) 9 — Financial Instruments (**SFRS(I) 9**) (as the case may be), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 109 or SFRS(I) 9 (as the case may be). See the section below on "Adoption of FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes".

3. Adoption of FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The Inland Revenue Authority of Singapore has also issued an e-tax guide entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 — Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Section 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

Hong Kong Taxation

Withholding tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(a) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;

(b) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;

(c) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the **IRO**)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(d) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of the Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of the Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of the Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

In addition, pursuant to various foreign-sourced income exemption legislation in Hong Kong (the **FSIE Amendments**, of which the latest amendment became effective from 1 January 2024), certain specified foreign-sourced income (including interest, dividend, disposal gain or intellectual property income, in each case, arising in or derived from a territory outside Hong Kong) accrued to an MNE entity (as defined in the FSIE Amendments) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The FSIE Amendments also provides for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp duty

Stamp duty will not be payable on the issue of Bearer Notes provided that either:

(i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (the **SDO**)).

If stamp duty is payable, it is payable by the Issuer on issue of the Bearer Notes at a rate of 3 per cent. of the market value of the Bearer Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes provided that either:

(i) such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
(ii) such Registered Notes constitute loan capital (as defined in the SDO).

With effect from 17 November 2023, if stamp duty applies to the transfer of Registered Notes required to be registered in Hong Kong and which are not otherwise exempt, it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated Programme Agreement dated 12 June 2026 (the **Programme Agreement**) between (amongst others) the Issuer, the Initial Guarantors, HSBC Bank plc, Mizuho Securities Asia Limited and Westpac Banking Corporation (together, the **Permanent Dealers**), Notes may be offered on a continuous basis by the Issuer to the Permanent Dealers. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are severally and not jointly underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arrangers for certain of their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of any Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, or for the account or benefit of a United States person, except in certain transactions permitted by the U.S. Internal Revenue Code and U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons and stating that such dealer is subject to the same restrictions on offers and sales of the Notes that apply to the Dealer. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes, which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Final Terms in relation thereto, to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

(ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA (each, a **Relevant State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in paragraphs a) to c) above will require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes; and
- the expression **Prospectus Regulation** means the Regulation (EU) 2017/1129.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or both) of the following:

(i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018; or

(ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of this Offering Circular as completed by the Final Terms in relation thereto to the public in the UK, except that it may make an offer at any time:

(a) to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

(b) to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the UK, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) in any other circumstances falling within Part 1 of Schedule 1 to the POATRs.

For the purposes of this provision:

- the expression an "**offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes; and

- the expression "**POATRs**" means the Public Offers and Admissions to Trading Regulations 2024.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Switzerland

Each Dealer has represented and agreed and each further Dealer under the Programme will represent and agree that:

(a) this Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes;

(b) it has not publicly offered, directly or indirectly, and will not publicly offer, directly or indirectly, the Notes in Switzerland within the meaning of the Swiss Financial Services Act (**FinSA**);

(c) no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland;

(d) this Offering Circular and any other offering or marketing material relating to the Notes does not constitute a prospectus within the meaning of the FinSA; and

(e) neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Italy

Unless specified in the relevant Final Terms that a non-exempt offer may be made in Italy, the offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Offering Circular or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) 2017/1129 (the **Prospectus Regulation**) and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Italian CONSOB regulations; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of the Offering Circular or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must:

(i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and

(ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Canada

The Notes will not be qualified for sale under the securities laws of any province or territory of Canada. Each Dealer has represented and agreed and each further Dealer under the Programme will represent and agree that it has not offered, sold or distributed and will not offer, sell or distribute any Notes, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with applicable securities laws. Each Dealer has also represented and agreed and each further Dealer under the Programme will be required to represent and agree that it has not and will not distribute or deliver the Offering Circular, or any other offering material in connection with any offering of Notes in Canada, other than in compliance with applicable securities laws.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Korea

The Notes have not been and will not be registered under the Financial Investment Services and Capital Markets Act (the **FSCMA**). Each Dealer has represented and agreed, and each new Dealer further appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, directly or indirectly, in Korea or to any Korean resident (as such term is defined in the Foreign Exchange Transaction Law) for a period of one (1) year from the date of issuance of the Notes, except (i) to or for the account or benefit of a Korean resident which falls within certain categories of "professional investors" as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, in the case that the Notes are issued as bonds other than convertible bonds, bonds with warrants or exchangeable bonds, and where other relevant requirements are further satisfied, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (**SFO**)) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **CWUMPO**) or which do not constitute an offer to the public within the meaning of the CWUMPO; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Unless the Final Terms in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the **MAS**). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly

or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the Final Terms in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has, unless otherwise specified before an offer of Notes, determined the classification of all Notes to be issued under the Programme as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Australia

No prospectus, product disclosure statement or other disclosure document (as defined in the Corporations Act) in relation to the Programme or the Notes has been, or will be, lodged with the ASIC. Each Dealer represents and agrees and each further Dealer under the Programme will be required to represent and agree that, it:

(a) has not directly or indirectly made or invited, and will not make or invite, an offer of the Notes for issue or sale in, to or from Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any offering circular or any other offering material or advertisement relating to the Notes in Australia,

unless (a) the aggregate consideration payable by each offeree or invitee is at least A$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act, (b) such action complies with all applicable laws, regulations and directives (including without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act), (c) such action does not require any document to be lodged with ASIC, and (d) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act.

For the purposes of this selling restriction, the Notes include interests or rights in Notes held in CDP, Euroclear or Clearstream, Luxembourg or the Austraclear System or any other clearing system.

No Retail Product Distribution Conduct

This Offering Circular and the Notes are not for distribution to any person in Australia who is a retail client for the purposes of section 761G of the Corporations Act. No target market determination has been or will be made for the purposes of Part 7.8A of the Corporations Act.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will only offer any Note for issue or sale or invite offers to subscribe for or purchase any Note or deliver any Note or possess or distribute the Offering Circular or other material in relation to the Notes in circumstances which comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Guarantors, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Guarantors, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantors, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the Guarantors, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, the Guarantors or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Final Terms.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer and the Guarantors. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Final Terms or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- the name of each underlying investor;
- a unique identification number for each investor;
- whether an underlying investor has any "Associations" (as used in the SFC Code);
- whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code); and
- whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Final Terms.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and

(B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantors, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Dealers that it is not a Sanctions Restricted Person. A "Sanctions Restricted Person" means an individual or entity (a **Person**): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/sdnlist.pdf) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/fse/fselist.pdf) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of the following (i) - (vi) to the extent that it will not result in violation of any sanctions by the CMIs: (i) their inclusion in the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf) (the **SSI List**), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the **EU Annexes**), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce's Bureau of Industry and Security (**BIS**) under which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled "Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China" (known as the Non-SDN Chinese Military- Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled "Addressing the threat from Securities Investments that Finance Chinese Military Companies"; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organized or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the Donetsk's People's Republic or Luhansk People's Republic. "Sanctions Authority" means: (a) the United States; (b) the United Nations; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) the People's Republic of China; (f) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (g) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury.

GENERAL INFORMATION

Authorisation

The establishment and update of the Programme and the issue of Notes have been duly authorised by resolutions passed by the Board of Directors of the Issuer on 26 May 2010, 24 October 2011, 2 August 2012, 18 November 2013, 13 August 2015, 26 May 2016, 11 April 2017, 4 May 2018, 11 July 2019, 28 July 2020, 17 August 2021, 11 April 2022, 31 March 2023, 18 April 2024, 25 July 2025 and 5 June 2026. The giving of the Guarantee has been duly authorised by resolutions passed by the respective Boards of Directors of each of Jemena Limited, Jemena Eastern Gas Pipeline (1) Pty Ltd, Jemena Eastern Gas Pipeline (2) Pty Ltd, Jemena Queensland Gas Pipeline (1) Pty Ltd and Jemena Queensland Gas Pipeline (2) Pty Ltd on 31 May 2010, 24 October 2011, 17 August 2015, 31 March 2023, 28 July 2025 and 5 June 2026 and the Board of Directors of Jemena Gas Pipelines Holdings Pty Ltd on 18 May 2017, 31 March 2023, 28 July 2025 and 5 June 2026.

Listing of Notes

Application will be made to the SGX-ST to approve the listing and quotation for the Notes that may be issued pursuant to the Programme and which are agreed on or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantors, the subsidiaries and associated companies of the Issuer and the Guarantors, the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. The Notes will trade on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) so long as any of the Notes remain listed on the SGX-ST.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and, in respect of Notes listed on the SGX-ST, from the specified offices of the Paying Agents for the time being in Singapore:

(a) the constitutional documents of the Issuer and the constitutional documents of each of the Guarantors;

(b) the consolidated audited financial statements of the Issuer in respect of the period ended 31 December 2025 together with the audit report prepared in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis;

(c) the most recently published audited consolidated annual financial statements of the Issuer together with any audit report prepared in connection therewith;

(d) the Trust Deed (which includes the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons), the Australian Deed Poll, the Agency Agreement and the Australian Agency Agreement;

(e) the Subordination Deed Poll and Trustee's nomination certificate dated 4 September 2015;

(f) a copy of this Offering Circular; and

(g) any future offering circulars, prospectuses, information memoranda and supplements to this Offering Circular including Final Terms (in respect of Notes which are listed on a stock exchange) and any other documents incorporated herein or therein by reference.

Clearing Systems

Each series of Bearer Notes will be initially represented by either a Temporary Global Note or a Permanent Global Note that will (unless otherwise specified in the applicable Final Terms) be deposited on the issue date thereof with (as specified in the Final Terms) CDP, the CMU or a common depositary on behalf of Euroclear and Clearstream, Luxembourg or any other agreed clearance system compatible with CDP, the CMU, Euroclear and Clearstream, Luxembourg. Each series of Registered Notes will be initially represented by interests in a Global Registered Note and (unless otherwise specified in the applicable Final Terms) deposited on the issue date thereof with (as specified in the Final Terms) CDP, and registered in the name of CDP or its nominee, or lodged with the CMU or deposited with a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg. Each Series of AMTNs will (unless otherwise specified in the applicable Final Terms) be registered in the name of Austraclear Ltd and entered in the Austraclear System. The appropriate Common Code and ISIN and, where applicable, CMU instrument number, for each series of Bearer Notes or Registered Notes will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms.

The address of CDP is The Central Depository (Pte) Limited, 4 Shenton Way, #02-01, SGX Centre 2, Singapore 068807. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of the CMU is Central Moneymarkets Unit of the Hong Kong Monetary Authority, 55th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

Save as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2025 and there has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2025.

Litigation

Save as disclosed in this Offering Circular, neither the Issuer nor any Initial Guarantor is nor has been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or any Initial Guarantor is aware) during the 12 months preceding the date of this Offering Circular which may have or has had in the recent past a significant effect on the financial position or profitability of the Issuer or any Initial Guarantor.

Auditors

The auditors of the Issuer are Ernst & Young, who have audited the Issuer's accounts, without qualification, in accordance with Australian Auditing Standards for the financial period ended on 31 December 2025. The auditors of the Issuer have no material interest in the Issuer.

The auditors of the Issuer for the financial periods ended on 31 December 2024 and 31 December 2023 were KPMG, who audited the Issuer's accounts, without qualification, in accordance with Australian Auditing Standards.

The reports of the auditors of the Issuer are included or incorporated in the form and context in which they are included or incorporated, with the consent of the auditors who have authorised the contents of that part of this Offering Circular.

Parties transacting with the Issuer and the Guarantors

Certain of the Arrangers, the Trustee, the Agent, the Paying Agents, the Registrar, the Transfer Agents and the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer, the Guarantors and their affiliates in the ordinary course of business.

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SGSP (Australia) Assets Pty Ltd Financial Statements for the year ended 31 December 2025.

SGSP (Australia) Assets Pty Ltd

Annual Report

FOR THE YEAR ENDED 31 DECEMBER 2025

INCLUDING OUR 2025 FINANCIAL REPORT
AND FINANCIAL SUSTAINABILITY REPORT

ABN 60 126 327 624

Principal activities

For the year ended 31 December 2025

SGSP (Australia) Assets Pty Ltd (SGSPAA or "the Company") is a leading energy infrastructure and services company. The Company and its subsidiaries ("the Group") operates its businesses under two main brands, Jemena and Zinfra. Under the Jemena brand, the Group owns and operates some of Australia's most significant gas distribution and transmission assets in New South Wales, Victoria, Queensland and the Northern Territory. Additionally, the Group manages the electricity distribution network that serves more than 380,000 customers in Melbourne's north-west. Through Zinfra, the Group provides engineering, design, construction, commissioning, maintenance and emergency response services to Australian energy companies.

Gas/electricity distribution

(1) The Group holds a 50% interest in the **ActewAGL Distribution Partnership** ("ADP"), primarily operating as "Evoenergy". The remaining 50% is ultimately held by the Australian Capital Territory ("ACT") Government. ADP owns and operates the electricity and gas distribution networks in the ACT.

Zinfra operational locations

(2) **Zinfra** is a leading delivery partner in designing, building, operating and maintaining energy infrastructure for Australia's asset owners.

High pressure gas transmission and processing and gas distribution

(3) The **Atlas Gas Pipeline** and (4) **Atlas Gas Processing Facility** connect Surat Basin in Queensland to the Darling Downs Pipeline. Statistics: 60 kilometres in length and capacity of approximately 40TJ per day.

(5) **Colongra Gas Transmission and Storage Pipeline** stores and delivers natural gas across 9 kilometres to the Colongra peaking power station at Munmorah.

(6) The **Darling Downs Pipeline** ("DDP") network consists of three integrated pipelines extending from Spring Gully to Wallumbilla through to the Darling Downs Power Station. Statistics: 292 kilometres in length and capacity ranging from 155TJ/d to 502TJ/d. The DDP network also includes the Atlas Gas Pipeline and Processing Facility.

(7) The **Eastern Gas Pipeline** delivers natural gas from the Gippsland Basin to customers in Sydney and regional New South Wales ("NSW"). At the time of writing, work was nearing completion to configure the pipeline to provide bi-directional flows. Statistics: 18-inch diameter, 797 kilometres in length, approximate capacity of 350 terajoules ("TJ") per day.

(8) The **Jemena Gas Network** was established in 1837 and is the principal gas distribution business in NSW. It typically delivers 90–95 petajoules of natural gas each year to more than 1.5 million homes and businesses throughout NSW.

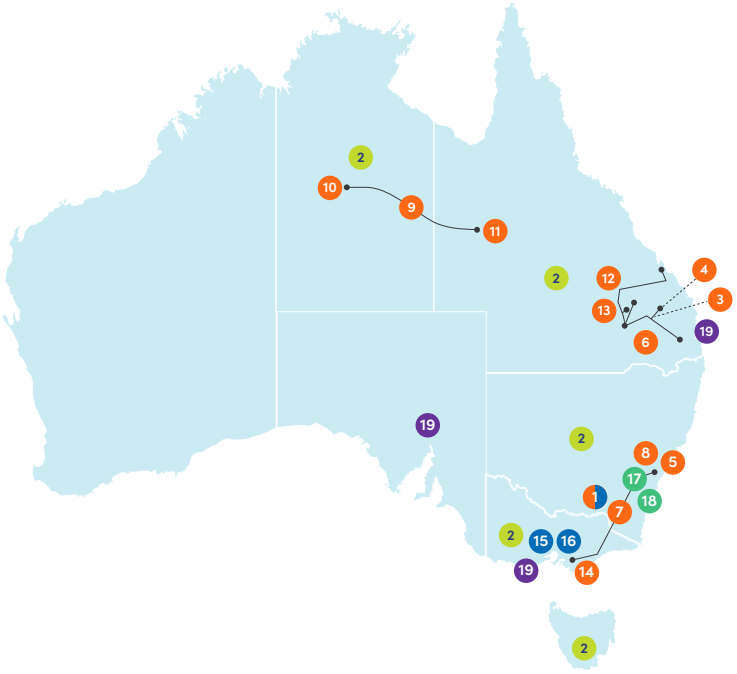
(9) The **Northern Gas Pipeline** delivers natural gas between Tennant Creek and Mount Isa. In 2025, the pipeline was configured to provide bi-directional flows. Statistics: 12 inch diameter, 623 kilometres in length, approximate capacity of 90 TJ per day.

(10) The **Phillip Creek Compressor Station** and (11) **Mount Isa Compressor Station** pressurise, measure and manage natural gas so it can be transported reliably along the Northern Gas Pipeline between the Northern Territory and Queensland.

(12) The **Queensland Gas Pipeline** delivers natural gas from the Surat Basin, Denison Trough and Bowen Basin to large industrial users in Gladstone and Rockhampton. Statistics: 12 inch diameter, 627 kilometres in length, approximate capacity of 140 TJ per day.

(13) The **Roma North Gas Pipeline and Processing Facility** process and deliver natural gas from the Surat Basin into the GLNG Comet Ridge to Wallumbilla Pipeline. Statistics: 8 inch diameter, 5 kilometres in length, approximate capacity of 24 TJ per day.

(14) **VicHub** is a pipeline interconnect facility situated at Longford. The facility enables gas to flow between the EGP, the Tasmanian gas pipeline and the Victorian gas transmission system. The facility has a nominal daily injection capacity of 150 TJ per day and a withdrawal capacity of 135 TJ per day.



Gas/electricity
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Zinfra operations
- 2 Zinfra operational locations

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Electricity distribution

(15) Regulated Electricity Network or **Jemena Electricity Network** ("JEN") delivers electricity to about 380,000 homes and businesses through approximately 6,900 kilometres of distribution network covering approximately 950 square kilometres of northwest greater Melbourne.

(16) The Group holds a 34% interest in **United Energy Distribution Holdings Pty Ltd** ("UEDH"). UEDH group delivers electricity to over 700,000 homes and businesses through a distribution network covering approximately 1,472 square kilometres of southeast Melbourne and the Mornington Peninsula.

Renewable gas demonstration projects

(17) The **Western Sydney Hydrogen Hub** and (18) the **Malabar Biomethane Injection Plant** are two projects, delivered in partnership with the Australian Renewable Energy Agency (ARENA), that demonstrate the potential role renewable gases can play to help reduce greenhouse gas emissions.

Other businesses

(19) **Ovida** offers energy solutions that enable customers to access and integrate renewable energy, primarily through long term agreements where Ovida owns, installs and maintains rooftop solar panels.

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Cover artwork

The artwork presented within the shape on the cover of this report was created by Chern'ee Sutton, a proud Kalkadoon woman and Aboriginal artist from Mount Isa, Queensland.

Directors' report

For the year ended 31 December 2025

The board of directors of SGSP (Australia) Assets Pty Ltd (the "Company") presents its report together with the consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2025 and the auditor's report thereon.

Directors

The directors of the Company for the year ended 31 December 2025 and up to the date of this report (unless otherwise stated) are listed below:

- Mr Jiang Longhua (Chairman)
- Mr David Gillespie
- Ms Yanli Liu
- Ms Jeanne Gueh Poh Tay (resigned 1 May 2025)
- Mr Albert Yeuk Kuk Tse
- Ms Yue Joo Chia
- Mr Law Chin Ho (appointed 1 May 2025)
- Ms Hui Chee Loong (resigned 1 December 2025)
- Mr Kin Wah Yew (appointed 1 December 2025)
- Mr Warwick Leslie Smith

Principal activities

The Group owns and has interests in a portfolio of energy infrastructure assets and related businesses, operated under two main brands: Jemena and Zinfra. It also has partially–owned interests operated under separate brands (United Energy and Evoenergy). Jemena is an investor in a portfolio of gas and electricity assets which is diversified in terms of geography and markets. Zinfra is a leading delivery partner in designing, building, operating and maintaining energy infrastructure for Australia's asset owners. A third brand, Ovida offers energy solutions that enable customers to access and integrate renewable energy, primarily through long–term agreements where Ovida owns, installs and maintains rooftop solar panels.

Refer to page 1 for detailed description of the Group's principal activities.

Review of operations

	Consolidated	
	2025 $'000	2024 $'000
Net profit after tax	355,424	330,571

Dividends

	2025 $'000	2024 $'000
Dividends paid by the Company to its shareholders	203,600	252,800

Significant changes in the state of affairs

In February 2025, the Group published its first *Climate Transition Plan*, setting a target of a 30 per cent reduction in Scope 1 and 2 greenhouse gas emissions by 2030, compared to a 2021–22 baseline.

In August 2025, the Group, through Zinfra, officially commenced delivering operations and maintenance services for AusNet's electricity distribution network. This has made Zinfra Australia's largest outsourced service delivery partner in the electricity distribution and transmission sector, and increased the Group's employee numbers by more than 500 people.

In addition, the Group is continuing to focus on gas transmission opportunities in the Northern Territory and along the east coast of Australia.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Group during the year.

Matters subsequent to balance date

No matter or circumstance have arisen since balance date that significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years.

Directors' report

For the year ended 31 December 2025

Likely developments and expected results of operations

The Australian energy sector, while evolving, continues to enable the Group's strong and reliable returns as well as offer new opportunities. The Group aims to be a leader in energy infrastructure ownership and management. The directors have considered the likely developments in the operations of the Group and the expected results of operations. Further information has not been included in this report as it relates to commercially sensitive activities, the disclosure of which could result in unreasonable prejudice to the Group.

Environmental regulation and performance

The Group is subject to environmental regulations under both Commonwealth and State legislation relating to assets in which the Group has an ownership interest and end services provided by the Group to third parties. The directors are not aware of any significant breaches regarding environmental regulations during the year ended 31 December 2025 or to the date of signing this report.

Insurance of directors and officers

The directors and officers of the Group are covered by a directors and officers insurance policy for liabilities and expenses arising as a result of their work, to the extent permitted by law. The nature of the liabilities insured against and the cost of the insurance premiums are confidential in accordance with the terms of the insurance contracts and normal commercial practice.

Indemnification of the auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5 and forms part of the Directors' Report for the year ended 31 December 2025.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Amounts in the Directors' Report have been rounded off in accordance with that instrument, unless otherwise stated.

Signed in accordance with a resolution of the board of directors:

David Gillespie
Managing Director

Jiang Longhua
Chairman

12 March 2026

Shape the future with confidence

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Auditor's Independence Declaration to the Directors of SGSP (Australia) Pty Ltd

As lead auditor for the audit of the financial report of SGSP (Australia) Pty Ltd and for the review and audit of the selective sustainability information in the sustainability report for the financial year ended 31 December 2025, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of *the Corporations Act 2001* in relation to the audits and review;

b. No contraventions of any applicable code of professional conduct in relation to the audits and review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audits and review.

This declaration is in respect of SGSP (Australia) Pty Ltd and the entities it controlled during the financial year.

Ernst & Young

Brett Croft
Partner
12 March 2026

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Consolidated income statement

For the year ended 31 December 2025

	Note	2025 $'000	2024 $'000
Revenue	5, 6	2,368,136	2,228,811
Other income	5	15,284	35,244
Share of net profits of associate and joint venture	16, 17	122,330	97,813
Expenses excluding net finance costs	7	(1,777,255)	(1,679,265)
Operating profit		**728,495**	**682,603**
Finance income	21	9,015	9,209
Finance costs	21	(239,263)	(228,014)
Net finance costs		**(230,248)**	**(218,805)**
Profit before income tax expense		**498,247**	**463,798**
Income tax expense	8	(142,823)	(133,227)
Profit after income tax expense for the year		**355,424**	**330,571**
Attributable to:			
Owners of the Company		355,424	330,571

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated statement of other comprehensive income

For the year ended 31 December 2025

	Note	2025 $'000	2024 $'000
Profit after income tax expense for the year		**355,424**	**330,571**
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Defined benefit superannuation plan actuarial gain before tax	10	3,243	4,506
Tax on defined benefit superannuation plan actuarial gain		(973)	(1,352)
Items that are or may be reclassified to profit or loss			
Movement in hedging reserve before tax	22	6,874	(40,901)
Share of movement in associate hedging reserve	16	(2,029)	(5,906)
Tax on movement in hedging reserve		(1,454)	14,042
Other comprehensive income for the year		**5,661**	**(29,611)**
Total comprehensive income for the year		**361,085**	**300,960**
Total comprehensive income for the year is attributable to:			
Owners of the Company		361,085	300,960

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

Consolidated balance sheet

As at 31 December 2025

	Note	2025 $'000	2024[1] Restated $'000
Current assets			
Cash at bank and in hand		76,224	57,815
Receivables	11	387,011	333,925
Inventories	12	102,076	82,612
Derivative financial instruments	22	73,864	1,366
Lease receivables	26	8,436	7,900
Prepayments and deposits		39,492	36,906
Total current assets		**687,103**	**520,524**
Non–current assets			
Property, plant and equipment	14	8,602,559	8,329,707
Intangible assets	15	1,747,526	1,728,541
Investments in associate and joint venture	16, 17	1,647,293	1,587,530
Right of use assets	26	77,597	56,534
Lease receivables	26	63,558	71,987
Prepayments and deposits		867	422
Derivative financial instruments	22	372,113	575,864
Defined benefit superannuation plans	10	59,909	54,654
Total non–current assets		**12,571,422**	**12,405,239**
Total assets		**13,258,525**	**12,925,763**
Current liabilities			
Payables	13	195,711	214,529
Provisions	13	226,151	177,834
Interest bearing liabilities	20	837,092	614,388
Income tax payable		26,322	26,222
Contract liabilities	6	289,502	195,895
Derivative financial instruments	22	241	–
Lease liabilities	26	34,407	26,520
Total current liabilities		**1,609,426**	**1,255,388**
Non–current liabilities			
Interest bearing liabilities	20	5,015,377	5,272,128
Provisions	13	156,473	131,497
Deferred tax	8	1,163,028	1,141,216
Lease liabilities	26	71,018	67,191
Contract liabilities	6	14,313	15,009
Derivative financial instruments	22	83,510	55,439
Total non–current liabilities		**6,503,719**	**6,682,480**
Total liabilities		**8,113,145**	**7,937,868**
Net assets		**5,145,380**	**4,987,895**
Share capital	24	4,000,000	4,000,000
Hedging reserve	22	151,850	148,459
Retained earnings		993,530	839,436
Total equity		**5,145,380**	**4,987,895**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

1 The comparative information is restated on account of a prior period error. Refer to note 4.

Consolidated statement of changes in equity

For the year ended 31 December 2025

2025

	Share capital $'000	Hedging reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 1 January 2025	**4,000,000**	**148,459**	**839,436**	**4,987,895**
Profit after income tax expense for the year	–	–	355,424	355,424
Other comprehensive income	–	3,391	2,270	5,661
Total comprehensive income for the year	**–**	**3,391**	**357,694**	**361,085**
Transactions with the owners of the Company recognised directly in equity				
Dividends paid to shareholders: $0.05 per share	–	–	(203,600)	(203,600)
Balance at 31 December 2025	**4,000,000**	**151,850**	**993,530**	**5,145,380**

2024

	Share capital $'000	Hedging reserve $'000	Retained earnings[1] $'000	Total equity[1] $'000
Balance at 1 January 2024 – as previously stated	**3,200,000**	**181,224**	**783,578**	**4,164,802**
Adjustment for correction of a prior period error	–	–	(25,067)	(25,067)
Balance at 1 January 2024 – restated	3,200,000	181,224	758,511	4,139,735
Profit after income tax expense for the year	–	–	330,571	330,571
Other comprehensive income	–	(32,765)	3,154	(29,611)
Total comprehensive income for the year	**–**	**(32,765)**	**333,725**	**300,960**
Transactions with the owners of the Company recognised directly in equity				
Conversion of Convertible Instruments	800,000	–	–	800,000
Dividends paid to shareholders: $0.07 per share	–	–	(252,800)	(252,800)
Balance at 31 December 2024	**4,000,000**	**148,459**	**839,436**	**4,987,895**

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

1 The comparative information is restated on account of a prior period error. Refer to note 4.

Consolidated statement of cash flows

For the year ended 31 December 2025

	Note	2025 $'000	2024 $'000
Cash flows from operating activities			
Receipts from customers		2,663,049	2,481,217
Payments to suppliers and employees		(1,564,869)	(1,460,087)
Income taxes paid		(117,204)	(180,941)
Interest received		2,389	2,206
Net cash from operating activities	9	**983,365**	**842,395**
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles		(680,511)	(542,863)
Proceeds from sale of property, plant and equipment		587	26,825
Dividends and distributions received from investments		61,707	57,183
Net cash used in investing activities		**(618,217)**	**(458,855)**
Cash flows from financing activities			
Proceeds from borrowings	25	2,013,464	1,147,648
Repayment of borrowings	25	(1,880,000)	(994,000)
Payment of lease liabilities	25	(38,602)	(32,327)
Interest paid		(229,047)	(219,004)
Dividends paid	28	(203,600)	(252,800)
Debt issuance costs		(8,954)	(6,131)
Net cash used in financing activities		**(346,739)**	**(356,614)**
Net increase in cash and cash equivalents		**18,409**	**26,926**
Cash and cash equivalents at the beginning of the financial year		57,815	30,889
Cash and cash equivalents at the end of the financial year		**76,224**	**57,815**

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31 December 2025

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About this report

Note 1. Basis of preparation

SGSP (Australia) Assets Pty Ltd (the "Company") is a for-profit company domiciled in Australia. The address of the Company's registered office and principal place of business is Level 16, 567 Collins Street, Melbourne, VIC 3000. These consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (collectively "the Group"). The comparative figures are for the year ended 31 December 2024.

The Group primarily consists of two operating businesses, an assets business and a services business. The assets business has ownership interests in a number of regulated and unregulated assets in the Australian energy sector. The services business provides designs, building, operations and maintenance services of energy infrastructure for Australia's asset owners.

Refer to page 1 for detailed description of the Group's principal activities.

(a) Going concern basis of accounting

These financial statements have been prepared on a going concern basis, which contemplates the Group continuing in operation for the foreseeable future.

The Group's current liabilities exceed its current assets by $922 million, mainly due to the classification of debt facilities that are set to mature in 2026. The Group's working capital, investing and financing requirements are being actively managed through operating cashflows and utilisation of debt facilities. The Group has access to unused debt facilities of $1,342 million (refer to note 23(d)), of which $907 million are available for more than 12 months from the date of authorisation of these financial statements.

The Group has historically generated positive operating cash flows, traded profitably and has a proven track record of successful refinancing of debt facilities. Accordingly, on the basis of present forecasts for positive future operating cash flows, the ability of the Group to manage its investing activities and the current status of refinancing activities for debt facilities which mature over the next twelve months, the directors believe that the going concern basis of preparation is appropriate.

(b) Statement of compliance

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board and the Corporations Act 2001. These financial statements also comply with International Financial Reporting Standards adopted by the International Accounting Standards Board.

These financial statements were authorised for issue by the board of directors on 12 March 2026.

(c) Basis of measurement

These financial statements have been prepared under the historical cost convention, with the exception of defined benefit superannuation plans, customer contributions of gifted assets, derivative financial instruments and borrowings in fair value hedge relationships, which are measured at fair value.

(d) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's and each Group entity's functional currency. The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Amounts in these financial statements have been rounded off in accordance with that instrument to the nearest thousand dollars, unless otherwise stated.

(e) Material accounting policies

The material accounting policies adopted in the preparation of these financial statements are consistent between the periods, except if mentioned otherwise.

(f) Comparative figures

The presentation of certain items has been adjusted as necessary to provide more meaningful information in the context of the Group. Where the presentation or classification of items in the financial statement is amended, comparative amounts are also reclassified unless it is impractical. The adjustments made to the presentation of items had no impact on the net assets or net profit of the Group.

The Group has identified a material prior period year. Refer to note 4 for details and adjustments to comparative figures.

Notes to the consolidated financial statements

For the year ended 31 December 2025

About this report

(g) Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Amounts in the financial statements have been rounded off in accordance with that instrument, unless otherwise stated.

Note 2. Material accounting policies

Material accounting policies adopted in the preparation of these financial statements are disclosed throughout the report and below are policies not listed elsewhere:

(a) Changes in material accounting policies

The Group has adopted the following new and amended accounting standard which has no significant impact on the Group's consolidated financial statements:

— AASB 2023–5 Amendments to Australian Accounting Standards – Lack of Exchangeability

(b) New accounting standards and interpretations not yet adopted

A number of new and amended accounting standards are effective for annual reporting periods beginning after 1 January 2025, with early application permitted. While these standards and interpretations remain under ongoing assessment, no significant impacts have been identified to date. Accordingly, the Group has not early adopted any of these new or amended standards in the preparation of these financial statements.

(i) AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 will replace AASB 101 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements:

— Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly–defined operating profit subtotal. Entities' net profit will not change;

— Management–defined performance measures (MPMs) are disclosed in a single note in the financial statements; and

— Enhanced guidance is provided on how to group information in the financial statements.

AASB 18 will have no impact on the Group's net profit. The changes will affect the way the Group presents the results on the face of the income statement and cash flow statements. In particular, the Group's share of profit or loss of associates will be presented outside of operating profit. The Group is currently assessing the detailed presentation impacts of the standard.

(ii) Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements:

— AASB 2024–2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments

— AASB 2024–3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11

— AASB 2025–1 Amendments to Australian Accounting Standards – Contracts Referencing Nature–dependent Electricity

— AASB 2014–10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Note 3. Critical accounting estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make estimates and judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and judgements are based on past experience and various other factors that are believed to be reasonable judgements under the circumstances. Actual results may differ. The estimates and judgements are reviewed on an ongoing basis. Changes to accounting estimates are recognised prospectively.

The estimates and judgements that are significant to these financial statements are disclosed within each note.

Notes to the consolidated financial statements

For the year ended 31 December 2025

About this report

Note 4. Material prior period error

As part of the Group's ongoing review of its leased asset portfolio, a prior period error was identified in the current year relating to the non–recognition of a make good provision associated with a currently leased site. The make good provision was not recognised at the assumption of the lease, which dates back to 2007. As a result, the make good provision was determined to be understated by $25m as at 1 January 2024 with a corresponding overstatement of retained earnings.

After considering all available information and undertaking an assessment of materiality, the opening (1 January 2024) and closing (31 December 2024) comparative information has been restated to recognise the make good provision. The impact of the restatement is limited to an increase in non-current provisions ($25m) and a corresponding decrease in retained earnings ($25m), with no significant discounting impact on the profit or loss for the comparative period. The restatement has no impact on cash flows.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Operations and performance

Note 5. Operating segments

(a) Operating segment performance

2025

	Notes	Electricity distribution $'000	Gas distribution $'000	Gas Pipelines $'000	Gas Processing $'000	Services business – Zinfra $'000	All other segments $'000	Inter-segment eliminations $'000	Total $'000
Operating profit	6	**372,289**	**253,722**	**96,789**	**24,089**	**42,122**	**(29,337)**	**(31,179)**	**728,495**
Revenue		617,032	668,487	208,509	127,476	1,353,700	23,501	(630,569)	2,368,136
Gas and electricity distribution revenue		483,695	595,226	–	–	–	–	–	1,078,921
Gas transmission revenue		–	–	203,704	120,974	–	–	–	324,678
Infrastructure services revenue		–	4,750	–	–	1,353,700	20,681	(630,569)	748,562
Customer contribution – cash[1]		92,466	41,875	4,805	6,502	–	–	–	145,648
Customer contribution – gifted assets		18,475	–	–	–	–	–	–	18,475
Other revenue		22,396	26,636	–	–	–	2,820	–	51,852
Other income		9,516	491	–	–	54	5,223	–	15,284
Share of net profits of associate and joint venture[2]	16, 17	110,471	11,859	–	–	–	–	–	122,330
Depreciation and amortisation expense	7, 14, 15, 26	(109,938)	(160,105)	(54,583)	(54,957)	(28,045)	(6,874)	3,533	(410,969)
Finance income	21	335	160	–	3,178	2,591	2,751	–	9,015
Finance costs	21	(73,553)	(93,759)	(40,170)	(25,592)	(5,680)	(509)	–	(239,263)
Acquisition of property, plant and equipment and intangibles	14, 15	407,572	191,004	81,754	6,117	34,918	11,660	(32,777)	700,248

1 Included in customer contributions is a margin of $21.7 million. This represents the margin earned by the Group on capex works on an arm's length basis.

2 Included in the share of profit is under–recovery of feed–in tariff ("FIT") of $12.2 million (post–tax) (2024: $24.9 million under–recovery). Refer to note 17(b) for details.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Operations and performance

2024

	Notes	Electricity distribution $'000	Gas distribution $'000	Gas Pipelines $'000	Gas Processing $'000	Services business – Zinfra $'000	All other segments $'000	Inter-segment eliminations $'000	Total $'000
Operating profit	6	**332,837**	**232,918**	**108,984**	**12,998**	**41,437**	**(15,006)**	**(31,565)**	**682,603**
Revenue		570,431	613,358	215,970	147,552	1,207,246	27,314	(553,060)	2,228,811
Gas and electricity distribution revenue		447,746	528,125	–	–	–	–	–	975,871
Gas transmission revenue		–	–	214,834	147,552	–	–	–	362,386
Infrastructure services revenue		–	4,998	–	–	1,207,246	24,308	(553,060)	683,492
Customer contribution – cash		78,622	52,355	1,136	–	–	–	–	132,113
Customer contribution – gifted assets		23,604	–	–	–	–	–	–	23,604
Other revenue		20,459	27,880	–	–	–	3,006	–	51,345
Other income		9,518	25,480	–	–	246	–	–	35,244
Share of net profits of associate and joint venture	16, 17	84,092	13,721	–	–	–	–	–	97,813
Depreciation and amortisation expense	7, 14, 15, 26	(103,237)	(161,942)	(54,726)	(55,756)	(22,017)	(4,886)	1,726	(400,838)
Finance income	21	407	207	7	3,302	2,485	2,801	–	9,209
Finance costs	21	(83,410)	(89,429)	(20,734)	(30,578)	(3,276)	(587)	–	(228,014)
Acquisition of property, plant and equipment and intangibles	14, 15	307,546	210,554	30,049	4,989	23,207	10,012	(29,263)	557,094

Notes to the consolidated financial statements

For the year ended 31 December 2025

Operations and performance

(b) Accounting policy

Segment results reflect those that are reported to the board of directors for the purpose of making decisions about resources to be allocated to the segments and assessing performance. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment results include transactions between segments primarily from the services business servicing the assets businesses. Such transactions, including any unrealised gains, are eliminated on consolidation.

(c) Operating segments

The Group operates in one geographical segment, which is Australia. The Group comprises the following operating segments:

(i) Electricity distribution

The electricity distribution network delivers electricity from the high voltage transmission network to end users. The Group charges retailers and some large customers regulated rates for the use of the distribution network. The electricity distribution segment also earns revenue from customer contributions, which includes the receipt of cash from a customer for the design and construction of assets, or the contribution of completed assets to the Group ("gifted assets"). The segment does not purchase or sell electricity in the ordinary course of business. This segment includes the Group's investment in the associate and investment in the joint venture (as proportionate to electricity distribution activities).

(ii) Gas distribution

The gas distribution network delivers natural gas to commercial and residential end users. The Group charges retailers and some large customers regulated rates for the use of the distribution network. The gas distribution segment also earns revenue from cash and gifted assets customer contributions. The segment does not sell gas in the ordinary course of business. This segment includes the Group's investment in the joint venture (as proportionate to gas distribution activities).

Revenue from one major customer of the Group's gas distribution segment represents $212.5 million (year ended 31 December 2024: $191.3 million) of the Group's total revenue for the year.

(iii) Gas pipelines

The gas transmission pipelines segment transports gas and earns revenue from these services at contracted rates negotiated on arm's length terms.

(iv) Gas processing

The gas processing assets provide gas compression, processing and transportation services to customers and earn revenue from these services at contracted rates negotiated on arm's length terms.

(v) Services business - Zinfra

Zinfra provides design, construction, operation and maintenance services for energy infrastructure to Australia's asset owners, including to other operating segments within the Group.

(vi) All other segments

All other segments include contracts for asset management services to Australian utility infrastructure customers (by group entities other than Zinfra) and corporate costs not allocated to identified segments.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Operations and performance

Note 6. Revenue

(a) Disaggregation of revenue from contracts with customers

Refer to operating segment note 5(a).

(b) Timing of revenue recognition

	2025 $'000	2024 $'000
Goods/services transferred at a point in time	1,731,004	1,503,269
Goods/services transferred over time	637,132	725,542
Revenue from contracts with customers	**2,368,136**	**2,228,811**

(c) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	2025 $'000	2024 $'000
Invoiced trade receivables (refer to note 11(a))	143,339	123,109
Contract assets (refer to note 11(a))	212,790	186,005
Contract liabilities – current	(289,502)	(195,895)
Contract liabilities – non-current	(14,313)	(15,009)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognised when the performance obligation is satisfied. The amount of $121.5 million recognised in contract liabilities at the beginning of the year has been recognised as revenue for the year ended 31 December 2025 ($76.9 million for the year ended 31 December 2024).

(d) Accounting policy

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Group recognises revenue at a point in time or over time, when or as it satisfies performance obligations by transferring control over a promised product or service to a customer. The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations. Similarly, if the Group satisfies a performance obligation before it receives consideration, the Group recognises either a contract asset or a receivable on its balance sheet, depending on whether something other than the passage of time is required before the consideration becomes unconditional.

For contracts with variable consideration, variable consideration is determined using the expected value or most likely outcome – whichever method is a better prediction of the final outcome. The estimation of the variable consideration amount is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Where the performance obligation is satisfied over time, the input method (i.e. costs incurred) is used to measure progress towards the satisfaction of performance obligations. The costs incurred on contracts are assessed to ensure that they are proportionate to the progress in satisfying the performance obligation. Given the type of contracts executed in the Group, the input method is deemed the most appropriate method as it measures the costs expended to satisfy the obligation.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Operations and performance

Revenue from the Group's major business activities is recognised as follows:

(i) Gas and electricity distribution revenue

Revenue is earned from the distribution of gas and electricity and related services. Revenue is recognised at a point in time, as the services are rendered i.e. on delivery, and incorporates usage estimation where necessary. Credit terms are as stated in note 11(b). A significant proportion of the Group's distribution services revenue is subject to economic regulation that seeks to determine either prices or revenue outcomes. In these financial statements regulated revenue is recognised as volumes multiplied by the agreed tariffs for the relevant period. Any differences to the regulated outcome are reflected in subsequent reporting periods via actual tariff changes.

(ii) Gas transmission

Revenue is earned from the actual and contracted transmission of gas. Revenue is recognised at a point in time as the services are rendered i.e. on actual/contracted delivery and incorporate usage estimation where necessary. Credit terms are as stated in note 11(b).

(iii) Gas processing

Revenue is earned from the actual and contracted processing of gas at the Group's processing facilities. Revenue is recognised at a point in time when the gas has been processed in accordance with contractual agreements.

(iv) Infrastructure services revenue

Revenue is earned through provision of engineering and design, project management, construction, civil, maintenance and asset operations services. Credit terms are as stated in note 11(b).

(v) Customer contribution – cash

Revenue is earned from customer contributions towards the cost of designing and constructing of network augmentation assets. Contributions are paid upfront or progressively during the design and build period. The works are performed at the customer's premises with ownership of the resulting assets remaining with the Group.

(vi) Customer contribution – gifted assets

Contributions of non-current assets are recognised as revenue and an asset when the Group gains control of the asset. The fair value of contributed assets is recognised at the date at which control is gained and the assets are ready for use.

(e) Critical accounting estimates and judgements

(i) Energy delivery

Estimates are made where required to account for the period between the meter reading date and the end of the accounting period. The estimates are made based on factors including historical consumption patterns, base usage and weather conditions.

(ii) Infrastructure services

Infrastructure services revenue is recognised either over time or at a point in time depending on the nature of the services and the contractual terms. Infrastructure services revenue recognised over time requires reliable measures of the outcome and the stage of completion of contracts involves a level of estimation of a range of factors that are subject to risk and uncertainty. The estimates and judgements relate to forecast revenue and costs to complete, stage of project completion, and the recoverability of unapproved variations, claims and disputes.

The carrying amount of contract assets is set out in note 11.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Operations and performance

Note 7. Expenses and significant items

(a) Expenses

	Note	2025 $'000	2024 $'000
Employee benefits expense:			
Wages and salaries		783,830	621,868
Superannuation contribution		64,228	51,478
Defined benefit superannuation plans – services costs	10	3,438	2,776
Depreciation and amortisation expense		410,969	400,838
Material and services expense		514,790	602,305
Total expenses excluding net finance costs		**1,777,255**	**1,679,265**

(b) Significant items

Other income, employee benefits, materials and services expenses include the following significant items:

	2025 $'000	2024 $'000
Other income:		
Gain on sale of property	–	25,478
Employee benefits:		
Efficiency program costs[1]	(7,202)	(10,050)
Material and services expenses:		
Net loss on disposal of plant and equipment	(23,810)	(13,378)
Costs associated with one–off asset incidents	–	(9,200)
Provision for slow moving inventory	(9,500)	–

1 Representing expenses related to various initiatives designed to optimise the operating model.

Note 8. Taxation

(a) Income tax expense

	2025 $'000	2024 $'000
Current tax expense		
Current year	(115,120)	(89,525)
Adjustments for prior years	(2,193)	(84)
Deferred tax expense		
Origination and reversal of temporary differences	(27,039)	(43,769)
Adjustments for prior years	1,529	151
Total income tax expense	**(142,823)**	**(133,227)**

Notes to the consolidated financial statements

For the year ended 31 December 2025

Operations and performance

(b) Reconciliation of income tax expense to prima facie tax payable

	2025 $'000	2024 $'000
Profit before income tax	**498,247**	**463,798**
Prima facie tax expense at the Australian tax rate of 30% (2024 – 30%)	(149,474)	(139,139)
Net franking credit offset from franked dividends received	7,863	4,713
Non–assessable income:		
Other	–	1,132
Non–deductible expenses:		
Other	(549)	–
Over provision in respect of prior year	(663)	67
Total income tax expense	**(142,823)**	**(133,227)**

(c) Franking credit account

The tax effected franking credit balance as at 31 December 2025 is $168.4 million (2024 franking credit: $127.2 million).

(d) Deferred tax liability / (asset)

The balance comprises the tax effect of temporary differences attributable to:

2025

	Opening Balance $'000	Charged to Income $'000	Charged to Equity $'000	Other Movements $'000	Closing Balance $'000
Property, plant and equipment	1,069,766	34,666	–	–	1,104,432
Right of use assets	16,309	6,970	–	–	23,279
Intangible assets	11,398	(1,729)	–	–	9,669
Financial assets	129,436	11,339	1,454	–	142,229
Employee provisions[1]	(50,096)	(7,928)	–	(6,125)	(64,149)
Defined benefits	16,396	604	973	–	17,973
Restoration provisions	(4,624)	(431)	–	–	(5,055)
Decommissioning provisions	(20,285)	(2,814)	–	–	(23,099)
Other items[2]	(27,084)	(15,167)	–	–	(42,251)
	1,141,216	**25,510**	**2,427**	**(6,125)**	**1,163,028**

1 Other movements relate to deferred tax associated with the employee provision in relation to the onboarding of an operations and maintenance services contract, as further described in note 10.

2024

	Opening Balance $'000	Charged to Income $'000	Charged to Equity $'000	Closing Balance $'000
Property, plant and equipment	1,042,893	26,873	–	1,069,766
Right of use assets	15,067	1,242	–	16,309
Intangible assets	13,492	(2,094)	–	11,398
Financial assets	127,054	16,424	(14,042)	129,436
Employee provisions	(45,620)	(4,476)	–	(50,096)
Defined benefits	14,898	146	1,352	16,396
Restoration provisions	(5,098)	474	–	(4,624)
Decommissioning provisions	(25,367)	5,082	–	(20,285)
Other items[2]	(27,031)	(53)	–	(27,084)
	1,110,288	**43,618**	**(12,690)**	**1,141,216**

2 Other items mainly include deferred tax for lease liabilities and various other provisions and accruals.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Operations and performance

Tax effect of unrecognised temporary differences

	2025 $'000	2024 $'000
Capital investment in associate	10,705	10,705

(e) Accounting policy

(i) Tax consolidation

The Company is the head entity in the SGSP (Australia) Assets Pty Ltd tax consolidated group ("tax group") comprising the Company and its wholly owned Australian tax resident subsidiaries. Entities that are not 100% owned and entities that are not residents for Australian tax purposes are generally treated as separate single tax entities.

(ii) Income tax expense or benefit

Income tax expense or benefit comprises current and deferred tax, using tax rates and legislation enacted or substantively enacted as at balance date. Income tax expense or benefit is recognised in the income statement, or in other comprehensive income to the extent that it relates to items recognised there.

(iii) Current tax

Current tax is the expected tax on the taxable income for the year and any adjustment to tax payable or receivable in respect to previous years.

(iv) Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Temporary differences are not provided for the initial recognition of goodwill, or the initial recognition of assets and liabilities that affect neither accounting profit nor taxable income. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

A deferred tax asset is recognised only to the extent that it is probable that future taxable income will be available against which the asset can be utilised. A deferred tax asset is derecognised to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the tax group intends to settle its tax assets and liabilities on a net basis.

The Company has not recognised, or disclosed information about, deferred tax assets and liabilities relating to Pillar Two income taxes.

(v) Goods and Services Tax ("GST")

Revenue, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included within other receivables or other payables in the balance sheet.

(f) Critical accounting estimates and judgements

The tax expense and deferred tax balances are in reference to income tax legislation, aspects of which are subject to interpretation and judgement. These interpretations and judgements are subject to risk and uncertainty and changes in circumstances may alter possible outcomes in relation to tax matters.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Operations and performance

Note 9. Reconciliation of result for the year to net cash flows from operating activities

	2025 $'000	2024 $'000
Profit before income tax	**498,247**	**463,798**
Non-cash flows in profit:		
Depreciation and amortisation	410,970	400,838
Defined benefit superannuation plans - service costs	3,438	2,776
Non-operating activities:		
Share of profit of associate and joint venture	(122,330)	(97,813)
Finance income	(9,015)	(9,209)
Finance costs	239,263	228,014
Gain on sale of property	–	(25,478)
Loss on disposal of plant and equipment	23,810	13,378
Exchange differences - unrealised	68	119
Changes in assets and liabilities:		
Increase in receivables, lease receivables and other current assets	(48,224)	(31,031)
Increase in inventories	(28,964)	(5,795)
Increase in payables, provisions, contract liabilities and lease liabilities	130,917	81,533
Interest received	2,389	2,206
Income taxes paid	(117,204)	(180,941)
Net cash inflow from operating activities	**983,365**	**842,395**

Note 10. Defined benefit superannuation plans

(a) Defined benefit superannuation plans

The Group makes contributions to one Mercer Investment Nominees Limited ("Equipsuper") defined benefit superannuation plan and one Russell Investment Group ("Russell") defined benefit superannuation plan. The plans provide defined benefit amounts to employees or their dependents upon retirement, death, disablement or withdrawal. Benefits are mostly in the form of a lump sum payment based on the employee's final average salary although some defined benefit members are also eligible for pension benefits. The terms and conditions of the two plans are consistent. The plans operate under the regulatory framework provided by the Superannuation Industry (Supervision) legislation. The plans' Trustees are responsible for the governance of the plans and have a legal obligation to act solely in the best interests of the beneficiaries. The trustees are responsible for administration of the plans and payments to beneficiaries, management and investment of the plan assets and compliance with superannuation law and other applicable regulations. The defined benefit sections of the plans are closed to new members.

In August 2025, the Group, through Zinfra, officially commenced delivering operations and maintenance services for AusNet's electricity distribution network ("DOMSA Contract"). As a result, the Group assumed responsibility for defined benefit members under an Equipsuper plan transferred from the previous service delivery partner. Accordingly, the associated defined benefit obligations and plan assets for these employees have been recognised by the Group from the transfer date. The transferred defined benefit members continue to accrue benefits under the same terms and funding arrangements prior to the transition.

Actuarial valuations of the funds as at 31 December 2025 and 31 December 2024 were performed resulting in the information set out below:

(b) Balance sheet amounts

The amounts included in the balance sheet arising from the Group's obligations in respect of its defined benefit superannuation plans are as follows:

	2025 $'000	2024 $'000
Present value of funded defined benefit obligations	(205,876)	(128,941)
Fair value of plan assets	265,785	183,595
Present value of net assets	**59,909**	**54,654**

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(c) Categories of plan assets

The analysis of the plan assets by category is as follows:

	2025 %	2024 %
Australian equities	19.2	21.3
International equities	25.9	27.7
Fixed income	10.6	10.2
Property	5.0	4.2
Cash	7.3	7.2
Growth alternatives	19.3	17.0
Defensive alternatives	12.7	12.4
	100.0	**100.0**

The fair value measurement of plan assets uses a level 2 fair value hierarchy that reflects the significance of the inputs used in making the measurements. Fair value is measured using valuation techniques with significant observable inputs such as investment fund valuations.

(d) Reconciliations

	2025 $'000	2024 $'000
Present value of funded defined benefit obligation		
Opening defined benefit obligation	(128,941)	(133,139)
Transfers in relation to the DOMSA Contract	(73,517)	–
Service cost	(3,438)	(2,776)
Interest cost	(7,766)	(7,414)
Contributions by plan participants	(1,626)	(1,638)
Actuarial (losses)/gains	(6,742)	(8,302)
Benefits paid by the plan	16,154	24,328
Closing defined benefit obligation	**(205,876)**	**(128,941)**

	2025 $'000	2024 $'000
Fair value of plan assets		
Opening fair value of plan assets	183,595	182,799
Transfers in relation to the DOMSA Contract	74,044	–
Interest income	10,150	9,885
Return on plan assets less interest income	9,985	12,808
Contributions from the employer	2,539	793
Contributions by plan participants	1,626	1,638
Benefits paid	(16,154)	(24,328)
Closing fair value of plan assets	**265,785**	**183,595**

The actual return on plan assets for the year was a gain of $20.1 million (year ended 31 December 2024: gain of $22.7 million).

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For the year ended 31 December 2025

Operations and performance

(e) Amounts recognised in the income statement

The amounts recognised in the income statement in respect of these defined benefit superannuation plans are as follows:

	2025 $'000	2024 $'000
Service cost	(3,438)	(2,776)
Net interest income	2,384	2,471
Gain on transfers in relation to the DOMSA Contract	527	–
Total expense included in the income statement	**(527)**	**(305)**

(f) Amounts recognised in other comprehensive income

The amounts recognised in other comprehensive income are as follows:

	2025 $'000	2024 $'000
Actuarial loss before tax recognised in other comprehensive income	3,243	4,506
Cumulative actuarial losses before tax recognised in retained earnings	(3,389)	(6,632)

(g) Principal actuarial assumptions

The principal actuarial assumptions are set out below:

	Russell 2025 %	Russell 2024 %	Equipsuper 2025 %	Equipsuper 2024 %
Discount rate	4.9	5.2	4.9	5.2
Expected long term salary increase rate	3.0	3.5	3.0	3.5
Expected pension increase rate	N/A	N/A	2.5	2.5
Weighted average duration of the defined benefit obligation (in years)	4.1	3.9	6.0	6.0

(h) Risks

There are a number of risks to which the plans expose the Group. The more significant risks relating to the defined benefit superannuation plans are:

Investment risk: the risk that investment returns will be lower than assumed and the Group will need to increase contributions to offset this shortfall.

Salary growth risk: the risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit obligations and thereby requiring additional employer contributions.

Legislative risk: the risk that legislative changes could be made which increase the cost of providing the defined benefits.

Pension risks: firstly, the risk that pensioner mortality will be lower than expected, resulting in pensions being paid for a longer period. Secondly, that a greater proportion of eligible members elect to take a pension benefit, which is generally more valuable than the corresponding lump sum benefit. Thirdly, the risk that inflation is higher than anticipated, increasing pension payments, and thereby requiring additional employer contributions.

(i) Sensitivity analysis

Reasonably possible changes at balance date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Define Benefit Obligation	Increase/(decrease) to defined benefit obligations 2025 $'000	2024 $'000
Discount rate (0.5% higher)	(5,029)	(2,578)
Discount rate (0.5% lower)	5,285	2,767
Salary increase rate (0.5% higher)	4,323	2,060
Salary increase rate (0.5% lower)	(4,165)	(1,658)

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(j) Employer contributions

Employer contributions to the defined benefit superannuation plans are based on recommendations by the plans' actuaries. The target funding method is used to determine the contribution rates. Under this method, the employer contribution rate is set to meet a 105% funding target.

Per the actuaries' 2025 reports, total minimum employer contributions to be paid by the Group for the year ending 31 December 2026 is $2.5 million.

(k) Accounting policy

Superannuation plans

Defined benefit superannuation plans: The Group's net asset/liability in respect of defined benefit superannuation plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior years, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited by the asset ceiling to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit superannuation plans asset/liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. Net interest income/expense and other expenses related to defined benefit superannuation plans are recognised in the income statement. The Group determines the net interest income/expense by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the net defined benefit superannuation plans asset/liability at the beginning of the year, taking into account any expected contributions and benefit payments.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the income statement. The Group recognises gains and losses on the settlement of a defined benefit superannuation plan when the settlement occurs.

Defined contribution superannuation plans

Obligations for contributions to defined contribution superannuation plans are recognised as an expense in the income statement in the periods during which the services are rendered by the employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(l) Critical accounting estimates and judgements

Defined benefits

The present value of the defined benefit obligations and the net expense for defined benefit superannuation plans depends on a number of factors that are determined on an actuarial basis using principal assumptions set out in note 10(g), subject to risks set out in note 10(h), with sensitivities to the assumptions set out in note 10(i).

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Operations and performance

Note 11. Receivables

(a) Summary

	2025 $'000	2024 $'000
Trade receivables	106,504	110,278
Trade receivables from related parties	36,835	12,831
Total invoiced trade receivables	**143,339**	**123,109**
Allowance for impairment loss	(1,114)	(4,371)
Contract assets	184,009	161,639
Contract assets due from related parties	28,781	24,366
Total contract assets	**212,790**	**186,005**
Total trade receivables	**355,015**	**304,743**
Other receivables from related parties	6,552	6,120
Other receivables	25,444	23,062
Total receivables	**387,011**	**333,925**

(b) Terms and conditions

The average credit terms vary depending on the nature of the accounts receivable balance:

— related parties: 7 to 14 days;

— retailers: 10 days; and

— other external customers: 20 to 30 days.

(c) Ageing of total invoiced trade receivables

	2025 $'000	2024 $'000
Not past due	118,299	102,666
Past due not impaired: 0 - 30 days	18,575	9,249
Past due not impaired: 31 - 60 days	1,206	2,718
Past due not impaired: more than 61 days	4,145	4,105
Past due considered impaired	1,114	4,371
Total invoiced trade receivables	**143,339**	**123,109**

Total invoiced trade receivables past due but not credit impaired are $23.9 million (2024: $16.1 million). Payment terms on these amounts have not been renegotiated.

(d) Impairment of receivables

Movements in the provision for impairment of receivables are as follows:

	2025 $'000	2024 $'000
Opening balance	4,371	4,583
Additional allowance recognised	1,316	2,628
Unused allowance reversed	(108)	–
Amounts utilised	(4,465)	(2,840)
	1,114	**4,371**

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For the year ended 31 December 2025

Operations and performance

Fair value and credit risk

Due to the short–term nature and collectability of the receivables, the carrying amount approximates fair value. The maximum exposure to credit risk is the carrying amount of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to other entities.

Significant changes in credit risk since initial recognition of contract assets generally arise when claims are subject to negotiation or in dispute with customers. Total contract assets subject to negotiation or in dispute as at 31 December 2025 is nil (2024: nil).

(e) Accounting policy

Receivables are generally non–interest bearing and stated at amortised cost using the effective interest method, following their initial recognition at fair value. The recoverability of receivables is assessed on a periodic basis and at balance date. The Group applies the AASB 9 simplified approach to measuring expected credit losses for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses.

The carrying amount of receivables is reduced through the use of an allowance account for impaired receivables and any expected loss is immediately expensed in the income statement. The amount of any impairment loss is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the receivable's original effective interest rate. When a receivable is considered uncollectible it is written off against the allowance account. Subsequent recoveries of amounts previously written off, and impairment reversals based on objective evidence, are credited against the income statement.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Monitoring of contracted retailers in Gas and Electricity Distribution, Gas Pipelines and Gas Processing and major contract debtors via an external consumer and credit risk registry continued throughout 2025, with the Group receiving updates within 24 hours of changes in ownership, directors or any adverse impacts on particular debtors. A secondary process including notifying relevant parts of the business about negative notifications, reviewing and following up all outstanding debts (if needed) is in place.

The default rate and bad debt write offs continue to be lower than the industry benchmark.

(f) Critical accounting estimates and judgements

For estimates and judgements relating to contract assets refer to note 6(e).

Note 12. Inventories

(a) Summary

	2025 $'000	2024 $'000
Construction stock, maintenance stock and general purpose materials	102,076	82,612

— The increase in inventory in the current year primarily relates to stock associated with the onboarding of the DOMSA Contract.

— A provision for slow moving inventory of $9.5 million was recognised during the year.

(b) Accounting Policy

Costs are assigned to inventory on hand on the basis of weighted average costs and includes all costs incurred in bringing inventories to their present location and condition. Inventories are valued at the lower of cost or net realisable value.

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Operations and performance

Note 13. Payables, provisions and contingent liabilities

(a) Payables summary

	2025 $'000	2024 $'000
Trade and other payables	51,297	87,115
Accrued expenses	96,282	75,850
Interest payable	48,132	51,564
Total payables	**195,711**	**214,529**

(b) Payables accounting policy

Payables represent liabilities for goods and services provided to the Group prior to balance date that are unpaid. Payables are stated at amortised cost and are generally non–interest bearing.

(c) Provisions summary

	Current 2025 $'000	Current 2024 $'000	Non–current 2025 $'000	Non–current 2024[1] Restated $'000
Employee benefits	194,042	152,291	19,787	14,695
Restoration and make good	4,618	5,145	37,299	35,336
Decommissioning	–	–	76,996	67,616
Other	27,491	20,398	22,391	13,850
	226,151	**177,834**	**156,473**	**131,497**

1 The comparative information is restated on account of a prior period error. Refer to note 4.

(d) Movements in provisions (excluding employee benefits)

2025

	Decommissioning $'000	Restoration and make good $'000	Other $'000	Total $'000
Current and non–current				
Opening carrying amount – as previously stated	67,616	15,414	34,248	117,278
Adjustment for correction of a prior period error[1]	–	25,067	–	25,067
Opening carrying amount – restated	**67,616**	**40,481**	**34,248**	**142,345**
Change in estimate	8,071	–	3,855	11,926
Additional provisions recognised	–	1,828	21,796	23,624
Unused provisions reversed	–	(664)	(7,217)	(7,881)
Utilised during the year	–	–	(5,800)	(5,800)
Discounting of provisions	1,309	272	–	1,581
Other movement	–	–	3,000	3,000
Closing carrying amount	**76,996**	**41,917**	**49,882**	**168,795**

1 The comparative information is restated on account of a prior period error. Refer to note 4.

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Operations and performance

(e) Provisions accounting policy

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance costs.

Employee benefits

Employee benefits provisions represent provisions for wages and salaries, including non-monetary benefits, annual leave, sick leave and long service leave as well as provisions for employee bonuses and other accrued entitlements.

Liabilities for annual leave and long service leave are measured at the present value of expected future payments for services provided by employees up to the reporting date, including on costs. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on corporate bonds with a term to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The liability for long service leave entitled to be settled within 12 months of balance date is recognised in the current provision for employee benefits. The liability for long service leave entitled to be settled more than 12 months from balance date is recognised in the non–current provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to balance date.

Decommissioning

Decommissioning provisions are recognised where there is a present obligation in respect of certain gas transmission and processing assets owned by the Group and the present value of the expected costs of removal of these assets at the end of their useful lives. It is probable that an outflow of economic benefit will be required to settle the provision. The provision of future decommissioning costs is the best estimate of the present value of the future expenditure required to settle the obligation at the reporting date. The expected timing of outflows for decommissioning liabilities is not within 12 months from the reporting date. Future decommissioning costs are reviewed annually and where there is a change in the expected decommissioning costs, an adjustment is recorded against the carrying amount of the provision and the associated plant and equipment.

Restoration and make good

Restoration and make good provisions are recognised in respect of civil works and leases in line with contracted terms. These obligations typically arise where contracts or lease agreements require the Group to return sites to their original condition at the end of the contract or lease period. The provision is measured as the best estimate of the costs expected to be incurred in fulfilling the restoration requirements.

Other

Other provisions include restructuring, onerous contracts, legal, defect, rebates and other miscellaneous provisions. Provisions for defect and contract claims are made for the estimated liability on the known liquidated damage or contract claims arising under service and construction contracts.

(f) Provisions related critical accounting estimates and judgements

Annual leave and long service leave

When assessing expected future payments of annual and long service leave consideration is given to employee wages increases as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on Australian corporate bonds with terms to maturity that match the expected timing of cash outflows.

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For the year ended 31 December 2025

Operations and performance

Decommissioning provisions
Estimating future decommissioning costs involves considerable judgement based on the estimated current cost of detailed plans prepared.

(g) Contingent liabilities

From time to time, entities within the Group are party to various legal actions as well as enquiries from regulators and government bodies that have arisen in the normal course of business.

The outcome of currently pending and potential future legal actions, regulatory, administrative and government enquiries of a legal nature cannot be predicted with certainty. Such matters can raise complex legal issues, and are subject to many uncertainties including but not limited to, the facts and circumstances of each matter.

In addition, environmental, make good and restoration provisions are recognised in respect of obligations to remediate and make good disturbance or contamination caused by former gas works, at certain sites. Such provisions are subject to uncertainties such as the extent of disturbance and interpretation of make good and remediation requirements of regulators and other parties who have rights to the underlying land.

Other than above and as disclosed in these financial statements, Management is not aware of any other contingent liabilities that could have a material effect on the financial statements.

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Our assets

Note 14. Property, plant and equipment

(a) Summary

	Freehold land $'000	Freehold buildings $'000	Easements $'000	Leasehold improvements $'000	Infrastructure assets $'000	Other property, plant and equipment $'000	Leased plant and equipment $'000	Construction in progress $'000	Total $'000
Useful life (years)	Indefinite	5 – 70	40	10 – 13	5 – 70	4 – 20	10 – 13	n/a	
Year ended 31 December 2025									
Opening carrying amount – 1 January 2025	59,969	98,349	14,121	10,606	7,552,292	30,592	20	563,758	8,329,707
Additions	270	1,908	400	1,598	351,392	5,572	–	265,615	626,755
Transfers from/(to) other asset classes	–	1,851	186	2,303	187,677	12,050	–	(202,286)	1,781
Depreciation charge	–	(3,947)	(710)	(3,743)	(317,182)	(13,760)	(16)	–	(339,358)
Disposals	–	(30)	–	(283)	(23,982)	(99)	(3)	–	(24,397)
Decommissioning provision	–	–	–	–	8,071	–	–	–	8,071
Closing carrying amount – 31 December 2025	**60,239**	**98,131**	**13,997**	**10,481**	**7,758,268**	**34,355**	**1**	**627,087**	**8,602,559**
At 31 December 2025									
Cost	60,239	130,642	22,008	49,916	11,149,314	170,828	220	627,087	12,210,254
Accumulated depreciation	–	(32,511)	(8,011)	(39,435)	(3,391,046)	(136,473)	(219)	–	(3,607,695)
Carrying amount	**60,239**	**98,131**	**13,997**	**10,481**	**7,758,268**	**34,355**	**1**	**627,087**	**8,602,559**
Year ended 31 December 2024									
Opening carrying amount – 1 January 2024	60,910	98,701	14,821	12,411	7,537,878	21,466	39	415,032	8,161,258
Additions	–	1,394	–	964	287,439	4,669	–	236,827	531,293
Transfers from/(to) other asset classes	–	2,860	–	625	72,825	15,921	–	(88,100)	4,131
Depreciation charge	–	(3,812)	(700)	(3,090)	(318,084)	(11,434)	(19)	–	(337,139)
Disposals	(941)	(794)	–	(305)	(11,829)	(30)	–	–	(13,899)
Decommissioning provision	–	–	–	–	(15,937)	–	–	–	(15,937)
Closing carrying amount – 31 December 2024	**59,969**	**98,349**	**14,121**	**10,606**	**7,552,292**	**30,592**	**20**	**563,759**	**8,329,707**
At 31 December 2024									
Cost	59,969	127,343	21,422	53,635	10,636,124	159,397	275	563,759	11,621,923
Accumulated depreciation	–	(28,994)	(7,301)	(43,029)	(3,083,832)	(128,805)	(255)	–	(3,292,216)
Carrying amount	**59,969**	**98,349**	**14,121**	**10,606**	**7,552,292**	**30,592**	**20**	**563,759**	**8,329,707**

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Our assets

(b) Accounting policy

The Group recognises the cost of an item of property, plant and equipment as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as incurred.

All classes of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises the cost of direct materials, direct labour, an appropriate proportion of direct overheads, and (where relevant) the estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Items of plant and equipment under construction are recognised as construction in progress. Once the asset construction is complete and the asset is capable of operating in the manner intended by management, the item of plant and equipment is transferred from construction in progress to the relevant asset class and depreciation of the asset commences.

Where significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment and depreciated separately.

Depreciation is charged to the income statement on a straight line basis over the estimated useful life of each item of property, plant and equipment. Depreciation of assets used to produce new assets is included in the carrying amount of the new asset. Land is not depreciated.

Disposals of items result in their carrying amount being derecognised immediately.

(c) Critical accounting estimates and judgements

Estimates are made regarding useful lives of items of property, plant and equipment based on factors that are subject to risk including the regulatory environment and technological developments.

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Our assets

Note 15. Intangibles

(a) Summary

	Goodwill $'000	Contract Intangibles $'000	Electricity distribution license $'000	Software $'000	Construction in progress $'000	Total $'000
Useful life (years)	Indefinite	8 – 33	Indefinite	2 – 22	n/a	
Year ended 31 December 2025						
Opening carrying amount – 1 January 2025	1,536,373	39,896	10,516	94,825	46,931	1,728,541
Additions	–	–	–	15,761	49,661	65,422
Transfers from/(to) other asset classes	–	–	–	36,934	(38,715)	(1,781)
Amortisation charge	–	(2,190)	–	(42,466)	–	(44,656)
Disposals	–	–	–	–	–	–
Closing carrying amount –31 December 2025	**1,536,373**	**37,706**	**10,516**	**105,054**	**57,877**	**1,747,526**
At 31 December 2025						
Cost	1,536,373	104,158	10,516	836,713	57,877	2,545,637
Accumulated amortisation	–	(66,452)	–	(731,659)	–	(798,111)
Carrying amount	**1,536,373**	**37,706**	**10,516**	**105,054**	**57,877**	**1,747,526**
Year ended 31 December 2024						
Opening carrying amount – 1 January 2024	1,536,373	42,086	10,516	116,760	29,051	1,734,786
Additions	–	–	–	4,422	37,371	41,793
Transfers from/(to) other asset classes	–	–	–	15,359	(19,491)	(4,132)
Amortisation charge	–	(2,190)	–	(40,890)	–	(43,080)
Disposals	–	–	–	(826)	–	(826)
Closing carrying amount – 31 December 2024	**1,536,373**	**39,896**	**10,516**	**94,825**	**46,931**	**1,728,541**
At 31 December 2024						
Cost	1,536,373	104,158	10,516	784,952	46,931	2,482,930
Accumulated amortisation	–	(64,262)	–	(690,127)	–	(754,389)
Carrying amount	**1,536,373**	**39,896**	**10,516**	**94,825**	**46,931**	**1,728,541**

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Our assets

(b) Accounting policy and critical accounting estimates and judgements

All classes of intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged to the income statement on a straight line basis over the estimated useful life of each intangible asset with a finite life.

Estimates are made regarding useful lives of items of intangible assets based on factors that are subject to risk including the regulatory environment and technological developments.

(i) Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in business combinations that are not individually identified and separately recognised.

Goodwill is not amortised but is tested for impairment per the impairment policy (refer to note 18).

(ii) Electricity distribution licence

A licence is held to distribute electricity to end–users within the Jemena Electricity Network, covering a defined area of north–west greater Melbourne. The licence is issued in perpetuity so long as the associated regulatory requirements are met. Given the Group continuously monitors compliance with regulatory requirements and intends to continue to maintain the network for the foreseeable future, the licence has an indefinite useful life. Therefore the licence is not amortised but is tested for impairment per the impairment policy.

(iii) Software

Computer software includes the cost of software licences purchased by the Group and other additional software development costs.

The accounting for costs to implement software in Software–as–a–Service ("SaaS") arrangements depends on whether the Group controls the software. In a SaaS arrangement, where the Group controls the software, implementation costs which are directly attributable to preparing the software for its intended use are capitalised. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software in a SaaS arrangement, where the supplier controls the software, are recognised as materials and services expenses when the services are received.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on–premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets and amortised over the useful life of the software on a straight–line basis. Judgement is required to determine whether the additional costs meets the definition of an intangible asset.

(iv) Contract intangibles

Contract intangibles represent the value attributed to the material customer contracts that the Group acquired in business combinations. The value of these contracts are based on independent valuations, predicated on estimates and judgements. The value of these contracts is determined with reference to the separately identifiable net cash flows generated under each contract, discounted back to present value. Their useful lives reflect both the contract terms and, where applicable, assumed renewal periods.

(v) Construction in progress

Internally generated intangibles in progress are recognised as the sum of all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended, at which point the intangible asset is transferred to the relevant asset class and amortisation of the asset commences.

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Note 16. Investment in associate

(a) United Energy Distribution Holdings Pty Ltd

The Group owns a 34% interest in United Energy Distribution Holdings Pty Ltd ("UEDH"). The UEDH group distributes electricity throughout southeast Melbourne and the Mornington Peninsula in Victoria. The network covers approximately 1,472 square kilometres and services over 700,000 homes and businesses.

(b) Reconciliation of movements in investment in UEDH

	Opening $'000	Share of profit $'000	Dividends and Eliminations[1] $'000	Share of OCI $'000	Closing Balance $'000
2025					
Ordinary shares	360,380	53,359	(24,325)	(2,029)	387,385
Redeemable preference shares ("RPS")	80,783	–	–	–	80,783
	441,163	**53,359**	**(24,325)**	**(2,029)**	**468,168**
2024					
Ordinary shares	335,953	56,573	(26,240)	(5,906)	360,380
Redeemable preference shares ("RPS")	80,783	–	–	–	80,783
	416,736	**56,573**	**(26,240)**	**(5,906)**	**441,163**

1 Comprising of dividends received and receivable and the elimination of the transactions between the Group and the associate.

The following table summarises the balance sheet information of UEDH:

	2025 $'000	2024 $'000
Current assets (including cash and cash equivalents – 31 December 2025: $66.9 million; 31 December 2024: $31.4 million)	180,689	153,697
Non–current assets (including financial assets – 31 December 2025: $121.7 million, 31 December 2024: $168.2 million)	4,284,190	4,168,315
Current liabilities (including financial liabilities – 31 December 2025: ($293.0) million, 31 December 2024: ($459.3) million)	(528,767)	(693,739)
Non–current liabilities (including financial liabilities – 31 December 2025: ($2,380.2) million, 31 December 2024: ($2,169.0) million)	(2,922,229)	(2,687,624)
Net assets (100%)	**1,013,883**	**940,649**

Capital expenditure contracted for at balance date but not recognised as a liability by the UEDH group is as follows:

	2025 $'000	2024 $'000
Payable within one year (34%)	4,171	3,996
	4,171	**3,996**

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The following table summarises the income statement information of UEDH:

	2025 $'000	2024 $'000
Revenue	884,168	837,270
Depreciation and amortisation	(190,548)	(169,959)
Interest income	1,604	2,023
Interest expense	(124,900)	(116,607)
Net profit after tax	156,283	163,671
Total comprehensive income for distribution	150,315	146,300

The following table summarises the Group's equity accounting of UEDH:

	2025 $'000	2024 $'000
Group's share of net assets (34%)	344,720	319,821
Consolidation adjustments	123,448	121,342
Carrying amount of interest in UEDH	**468,168**	**441,163**
Group's share of:		
Profit	53,359	56,573
Other comprehensive income (hedging reserves)	(2,029)	(5,906)
Interest on RPS held by the Company, included within UEDH group's interest expense	9,492	9,518
Group's total recognised comprehensive income from UEDH	**60,822**	**60,185**

The Company is not aware of any UEDH group contingent liabilities that could have a material effect on the financial statements.

(c) Accounting policy

Associates are those entities in which the Group has significant influence, but no control or joint control, over the financial or operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the income statement and other comprehensive income of equity–accounted investees, until the date on which significant influence or joint control ceases.

Unrealised gains arising from transactions with equity–accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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Note 17. Investment in joint venture

(a) ActewAGL Distribution Partnership

The Group holds a 50% interest in the ActewAGL Distribution Partnership ("ADP"), primarily operating as 'Evoenergy'. The remaining 50% is ultimately held by the Australian Capital Territory ("ACT") Government. ADP owns and operates the electricity networks in the ACT and the gas networks in the ACT, Queanbeyan–Palerang, and Nowra.

ADP's financial year is from 1 July to 30 June, which is different to the Group.

(b) Reconciliation of movements in investment in ADP

	Opening $'000	Share of profit[1] $'000	Dividends and Eliminations[2] $'000	Closing $'000
As at 31 December 2025				
ActewAGL Distribution Partnership	1,146,367	68,971	(36,213)	1,179,125
	1,146,367	**68,971**	**(36,213)**	**1,179,125**
As at 31 December 2024				
ActewAGL Distribution Partnership	1,137,132	41,240	(32,005)	1,146,367
	1,137,132	**41,240**	**(32,005)**	**1,146,367**

1 Included in the share of profit is under–recovery of feed–in tariff ("FIT") of $12.2 million (post–tax) (2024: $24.9 million under–recovery). In the ACT, ADP is subject to a large scale FIT jurisdictional scheme under which FIT support payments are made by ADP to renewable energy generators. ADP is required to collect any shortfall between the average contracted prices and the wholesale spot price on behalf of renewable energy generators from electricity customers.

These FIT support payments operate as a pass through to customers. Where the amount recovered exceeds or is below actual contributions paid to relevant parties, an adjustment is made to future prices to reflect this excess or shortfall. No assets or liabilities is recognised as such an adjustment relates to provision of future services.

2 Comprising of dividends received and receivable and the elimination of the transactions between the Group and the joint venture.

The following table summarises the balance sheet information of ADP:

	2025 $'000	2024 $'000
Current assets (including cash and cash equivalents – 31 December 2025: $50.7 million; 31 December 2024: $35.0 million)	248,453	301,767
Non–current assets (including financial assets – 31 December 2025: $34.0 million; 31 December 2024: $38.5 million)	1,762,138	1,703,508
Current liabilities (including financial liabilities – 31 December 2025: ($4.8) million; 31 December 2024: ($4.6) million)	(143,685)	(192,926)
Non-current liabilities (including financial liabilities - 31 December 2025: ($12.3) million; 31 December 2024: ($20.7) million)	(14,036)	(23,711)
Net assets (100%)	**1,852,870**	**1,788,638**

Capital expenditure contracted for at balance date but not recognised as a liability by the joint venture is as follows:

	2025 $'000	2024 $'000
Payable within one year (50%)	8,077	18,180
Payable later than one year but not later than five years (50%)	169	879
	8,246	**19,059**

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The following table summarises the income statement information of ADP:

	2025 $'000	2024 $'000
Revenue	348,255	379,561
Depreciation and amortisation	(79,366)	(69,314)
Interest income	6,120	9,425
Interest expense	(1,005)	(1,288)
Net profit after tax	135,232	78,985
Total comprehensive income for distribution	135,232	78,985

The following table summarises the Group's equity accounting of ADP:

	2025 $'000	2024 $'000
Group's share of net assets (50%)	926,435	894,319
Consolidation adjustments	252,690	252,048
Carrying amount of interest in ADP	**1,179,125**	**1,146,367**
Total comprehensive income for distribution	135,232	78,985
Group's share of total comprehensive income	68,971	41,240

ADP had contingent liabilities of $0.86 million relating to bank guarantees as at 31 December 2025 (as at 31 December 2024: $0.86 million). The Company is not aware of any other ADP contingent liabilities that could have a material effect on the financial statements.

(c) Accounting policy

Joint ventures are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are recognised initially at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the income statement and other comprehensive income of equity–accounted investees, until the date on which significant influence or joint control ceases.

Unrealised gains arising from transactions with equity–accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(d) Critical accounting estimates and judgements

In classifying as a joint venture, the Group considered and made certain judgements about the structure of the arrangement, the legal form of any separate vehicles, the contractual terms of the arrangement and other facts and circumstances.

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Our assets

Note 18. Impairment testing

(a) Impairment testing

The Group's Cash Generating Units ("CGU") and allocated goodwill and intangible assets that have an indefinite useful life identified for impairment testing are as follows:

	2025 $'000	2024 $'000
Carrying amounts of goodwill by CGU:		
Jemena Gas Network ("JGN")	502,738	502,738
Jemena Electricity Network ("JEN")	148,144	148,144
Jemena Eastern Gas Pipeline ("EGP")	760,982	760,982
Jemena Queensland Gas Pipeline ("QGP")	10,939	10,939
Jemena Darling Downs Pipeline Network ("DDPN")	25,272	25,272
Zinfra	88,298	88,298
Total goodwill	**1,536,373**	**1,536,373**
Intangible Assets – JEN licence	10,516	10,516
Total of licence	**10,516**	**10,516**
Total	**1,546,889**	**1,546,889**

The Group consists of 11 CGUs. Impairment testing was performed by considering the presence of goodwill and the existence of impairment indicators for the following CGUs: JGN, JEN, EGP, QGP, Northern Gas Pipeline ("NGP"), DDPN and Zinfra. The remaining CGUs (UEDH, ADP, Colongra Gas Pipelines ("CGP") and Roma North Pipelines ("RNP")) were excluded from impairment testing as they do not have goodwill allocated and no impairment indicators were identified. CGU impairment testing was carried out at 31 December 2025 resulting in no impairments being recognised (2024: nil).

(b) Accounting policy

Impairment tests for all non–financial assets (excluding goodwill) are performed when there is an indication of impairment. Goodwill is tested for impairment at least annually.

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs, being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If the carrying amount of the asset or CGU exceeds its recoverable amount, the asset or CGU is impaired and an impairment loss is charged to the income statement so as to reduce the carrying amount in the balance sheet to its recoverable amount.

The recoverable amount of assets is the greater of their fair value less costs of disposal and its value in use. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Previously impaired assets (excluding goodwill as impairment losses are not reversed in subsequent periods) are reviewed for possible reversal of previous impairment at each reporting date. Impairment reversal cannot exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset or CGU. Such reversal is recognised in the income statement.

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(c) Critical accounting estimates and judgements

Fair value less costs of disposal for all CGUs is measured using some inputs that are not based on observable market data, deemed level 3 within the fair value hierarchy as per note 27.

The following table lists critical estimates and assumptions used in estimating the recoverable amount of CGU:

CGU	Cash Flow Horizon (years)[1]	Terminal Value Assumptions[2]	Post Tax Discount WACC 2025[3, 4]	Post Tax Discount WACC 2024[3, 4]	Comments on critical estimates and assumptions
JGN	10	RAB 1.35 x (2024: 1.35x)	4.58%	4.78%	— For regulated assets where terminal values are a significant driver of recoverable value, the Group monitors risks and opportunities on an ongoing basis in relation to any change including cross checking with implied market multiples of peers and recent market transactions for recent changes in RAB multiples. In 2025, the free cash flow horizons reflect the key assumptions behind JGN's approved Access Arrangement, renewable gas strategy and JEN's growth strategy. — The RAB multiple for JGN is 1.35x, which is aligned with the Group's expectations of renewable gas uptake and its position in the future energy mix. Management will continue to closely observe market expectations in future periods and will adjust this multiple accordingly. — JGN's market and commercial dynamics continue to evolve in 2026 and Management is focused on further scenario testing with consideration given to JGN's strategy involving the commercial landscape, the role of renewable gas in the energy transition and capital optimisation programme. Furthermore, the current Access Arrangement balances short, medium and long-term goals including the delivery of a safe, reliable network and supporting the energy transition. These focus points will therefore, underpin JGN's future cash flows and recoverable value in a decarbonisation environment. — JEN's RAB multiple is 1.6x and reflects expected growth as the economy decarbonises and becomes more reliant on renewable electricity. JEN's 2026–31 revised proposal aligns with the Group's *Climate Transition Plan*, focusing on expanding connections to new customers. JEN plays a crucial role in supporting increasing maximum demand and bi–directional flows from electrification and large customer connections from data centres and industrial loads, ensuring long term reliability, sustainability and supporting asset recoverable values.
JEN	10	RAB 1.6 x (2024: 1.6x)	4.18%	4.38%	
EGP	10	Perpetual Growth (0.50%) – 1.0% (2024: (0.50%) – 1.0%)	5.07% – 5.94%	5.33% – 6.20%	— The Group continually monitors risks and opportunities that may affect the key assumptions underpinning the growth rates and forecast cash flows of each CGU. This includes regular assessment of the components of the discount rate, given their potential to materially influence the recoverable amount. In determining the appropriate discount rates for the recoverable amount calculations, the Group has considered prevailing market assessments of the time value of money and its Weighted Average Cost of Capital, with adjustments made for asset specific risks. — The perpetual growth assumption is largely determined by demand/supply dynamics, alternate energy supplies, recontracting and the projected Australian Consumer Price Index.
QGP	10				
DDPN	10				
NGP	10				

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CGU	Cash Flow Horizon (years)[1]	Terminal Value Assumptions[2]	Post Tax Discount WACC 2025[3, 4]	Post Tax Discount WACC 2024[3, 4]	Comments on critical estimates and assumptions
Zinfra	5	Contract Growth 1.0% (2024: 1.0%)	6.08%	9.54%	— The market continues to be highly competitive and may potentially impact revenue and EBITDA margin growth rates. The ability to maintain competitive margins as well as managing re-contracting risk for key customers remains a focus for the business. — Growth is primarily driven by increased revenue from project and services contracts, supported by a pipeline of identified opportunities, realistic win-rate assumptions, and historical performance trends. — The principal changes to the discount rate assumptions for the year reflect a recalibration of the risk-free rate, market risk premium, specific risk premium and asset beta, ensuring these inputs are aligned with prevailing market conditions.

Notes

1 The forecasts include assumptions related to the growth in revenue, operating expenditure and capital expenditure. For regulated CGUs, the growth assumption is primarily driven by the assumptions in the regulatory building block models with growth being a function of the regulated asset base ("RAB") and the allowable return from the regulator in the current regulatory period and expected future returns in the years post the current regulatory period.

2 Terminal values are calculated by applying a multiple to the RAB in the terminal year for regulated assets and terminal growth rates to terminal year cash flows for unregulated assets.

3 All CGUs' future nominal cash flows are discounted to their present value using a discount rate based on the weighted average cost of capital ("WACC"). The WACC takes into account the average rates of return required by providers of debt and equity capital (proxy weighted to the market) to compensate them for the time value of money and the inherent risk or uncertainty in achieving the cash flow returns for that outlay of capital estimating a transactional "fair value" environment.

4 Long–term risk free rate, market risk premium and debt premium are consistently applied across the discount WACC rates for all CGUs in the Group.

Reasonably possible change in key assumptions

The recoverable amount for the following CGUs approximates their carrying value. Accordingly, any deterioration in the key assumptions would result in possible recoverable amount deficiencies:

The market, regulatory and commercial dynamics particularly pertaining to NGP, EGP and JGN CGUs continue to evolve and Management is focussed on their strategy involving the commercial landscape, the role of renewable gas in the energy transition, access arrangements and capital optimisation programme.

— NGP: Management continues to work to secure additional long–term revenues on NGP through various initiatives. Negotiations continue with multiple counterparties and the cash flows included are based on the best information at reporting date. The uncertainties pertaining to these cash flows are factored into the discount WACC and the terminal value growth rate.

— EGP: Management continues to focus on securing long–term revenue on the EGP, including contracting volumes from the Port Kembla Energy Terminal for delivery into both the NSW and Victorian markets to replace the declining gas supply from the Gippsland Basin and is augmenting the pipeline to maximise optionality for southern flows on the pipeline. Negotiations continue with multiple counterparties and the cash flows included are based on the best information at reporting date on the most current view of demand and supply factors. Further, the cash flow assumptions also assume that, where relevant, re–contracting will be performed in accordance with any Gas Market Reform rules. The uncertainties pertaining to these cash flows are factored into the discount WACC and the terminal value growth rate.

— JGN: Management continues to focus on four priorities: maintaining JGN's viability, supporting decarbonisation for carbon–heavy commercial & industrial customers, facilitate the supply of renewable gas into the Jemena gas distribution network to support decarbonisation targets and exploring options to harness the existing gas infrastructure. In framing these priorities, the Group has considered the policy direction set out in the NSW gas policy framework, which recognises that gas will continue to play a role during the transition to net zero by supporting reliable energy supply, enabling decarbonisation of existing gas use, and facilitating the development and integration of low-emission renewable gases.

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Management believes the terminal value ("TV") assumptions disclosed below represents management's view of the reasonably possible changes to the market and regulatory landscapes. If the assumptions used in the impairment testing were changed to a greater extent than as presented in the following table, the change would, in isolation, lead to an impairment loss being recognised for the three CGUs discussed above in the year ended 31 December 2025.

Any movement in the post-tax discount rate is assessed based on changes in cash flow risk that may wholly or partially be predicated on any changes in the terminal value assumptions. The post-tax discount rates represented in the table below reflect assumptions that (in isolation) result in a zero surplus in recoverable amount over carrying value. Management do not believe that these post-tax discount rates represent reasonably possible changes and therefore in isolation they are unlikely to lead to an impairment loss being recognised for the three CGUs.

CGU	Post–tax discount rate 2025 %	2024 %	TV – RAB Multiple 2025 x	2024 x	TV – Growth Rate 2025 %	2024 %
JGN	5.59	5.25	1.20	1.28	–	–
EGP	6.28	6.41	–	–	(1.10)	(0.86)
NGP	6.20	6.17	–	–	(0.76)	(0.30)

No other assets have reasonably possible changes in assumptions that would lead to an impairment.

Note 19. Capital commitments

Capital expenditure contracted for at balance date but not recognised as a liability by the Group is as follows:

	2025 $'000	2024 $'000
Payable within one year	104,905	23,846
Payable later than one year but not later than five years	6,824	–
	111,729	**23,846**

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Note 20. Interest bearing liabilities

(a) Interest bearing liabilities

Unsecured	Maturity date	Issue rate	Current 2025 $'000	Current 2024 $'000	Non–current 2025 $'000	Non–current 2024 $'000
Bank loans – Syndicated Facility Agreements			–	615,000	305,000	360,000
Bank loans – Bilateral Facility Agreements			99,168	–	–	540,709
Less: borrowing costs			(542)	(612)	(5,635)	(6,808)
Debt securities						
USD 500m MTN	29–Jul–26	3.250%	738,944	–	–	771,837
HKD 875m MTN	21–May–27	3.330%	–	–	167,166	175,271
USD 500m MTN	07–Jul–27	3.500%	–	–	734,060	767,695
HKD 785m MTN	28–Mar–29	2.850%	–	–	151,139	163,307
AUD 92m MTN	20–Jul–29	2.789%	–	–	92,000	92,000
HKD 739m MTN	20–Dec–29	2.535%	–	–	142,282	153,738
AUD 159m MTN	27–Feb–35	2.680%	–	–	159,000	159,000
AUD 350m MTN	15–Sep–28	1.843%	–	–	341,212	339,160
HKD 900m MTN	04–Jan–27	1.440%	–	–	170,299	177,061
AUD 100m MTN	29–Nov–28	2.525%	–	–	93,799	92,874
AUD 300m MTN	17–Dec–29	2.620%	–	–	273,496	271,401
HKD 800m MTN	18–Oct–32	4.920%	–	–	164,504	170,137
AUD 106m MTN	08–Dec–32	6.056%	–	–	106,000	106,000
AUD 50m MTN	08–Dec–32	6.056%	–	–	49,955	52,022
AUD 175m MTN	15–Jan–30	BBSW + 1.7%	–	–	175,000	175,000
AUD 85m MTN	15–Jan–30	BBSW + 1.7%	–	–	85,000	85,000
HKD 785m MTN	20–Mar–33	4.854%	–	–	161,853	167,248
HKD 600m MTN	09–Jun–30	4.520%	–	–	120,167	125,055
AUD 30m MTN	29–Jun–33	5.988%	–	–	29,845	30,473
AUD 100m MTN	29–Jun–33	5.988%	–	–	98,956	103,542
JPY 5b MTN	13–Jun–39	1.960%	–	–	43,376	51,664
HKD 766.5m MTN	09–Oct–29	3.540%	–	–	151,188	156,986
HKD 530m MTN	25–Mar–35	4.320%	–	–	105,661	–
HKD 1.198b MTN	03–May–30	3.630%	–	–	234,455	–
EUR 500m MTN	08–Oct–32	3.375%	–	–	873,295	–
Add: bond premium and discounts			–	–	3,210	–
Less: borrowing costs			(478)	–	(10,906)	(8,244)
			837,092	**614,388**	**5,015,377**	**5,272,128**

(b) Accounting policy

Borrowings

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Foreign currency transactions

Transactions in foreign currencies are translated into the Group's functional currency using the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at balance date. Foreign currency differences arising on translation are recognised in the income statement, except for differences arising on the translation of qualifying cash flow hedges, which are recognised in other comprehensive income.

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Financing our business

Note 21. Finance income and costs

(a) Summary

	Note	2025 $'000	2024 $'000
Finance income			
Interest on funds invested		1,338	795
Interest on lease receivable		5,293	5,943
Defined benefit net interest		2,384	2,471
		9,015	**9,209**
Finance costs			
Interest and finance charges paid/payable on borrowings		(244,211)	(232,441)
Gain/(loss) on the fair value hedging instruments (fair value hedges)		85,914	13,018
Gain/(loss) on the fair value hedged items (fair value hedges)		(85,866)	(12,695)
Ineffectiveness from cash flow hedges		(875)	533
Capitalised finance charges		11,666	9,897
Interest on leases		(4,310)	(3,980)
Unwinding of discount on liabilities	13	(1,581)	(2,346)
		(239,263)	**(228,014)**

(b) Accounting policy

Finance income and costs are recognised using the effective interest method.

Borrowing costs that are directly attributable to the construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. The capitalisation rate used to determine the amount of borrowing costs to be included in the cost of qualifying assets is the weighted average interest rate of 4.26% for the year applicable to the Group's outstanding borrowings (year ended 31 December 2024: 4.25%).

Note 22. Derivative financial instruments and hedging reserve

(a) Summary of carrying amount

	Current 2025 $'000	Current 2024 $'000	Non–current 2025 $'000	Non–current 2024 $'000
Derivative financial instruments – assets[1]				
Fair value hedges				
Cross currency swap contracts	(9,862)	–	8,216	(89,845)
Interest rate swap contracts	–	–	2,052	5,786
Cash flow hedges				
Cross currency swap contracts	82,640	–	154,488	450,063
Interest rate swap contracts	1,086	1,107	207,351	209,829
Forward foreign exchange contracts	–	259	6	31
	73,864	**1,366**	**372,113**	**575,864**

1 The Group classifies individual derivative financial instruments with positive fair values as assets and negative fair values as liabilities, with the entire hedge relationship presented as a single entity. The Group also presents the fair value of the derivative financial instruments based on their bifurcated and trifurcated hedge accounting designations.

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Financing our business

	Current 2025 $'000	Current 2024 $'000	Non–current 2025 $'000	Non–current 2024 $'000
Derivative financial instruments – liabilities[1]				
Fair value hedges				
Cross-currency swap contracts	–	–	3,613	–
Interest rate swap contracts	–	–	41,475	46,142
Cash flow hedges				
Cross-currency swap contracts	–	–	36,402	–
Interest rate swap contracts	–	–	1,996	9,297
Forward foreign exchange contracts	241	–	24	–
	241	**–**	**83,510**	**55,439**

1 The Group classifies individual derivative financial instruments with positive fair values as assets and negative fair values as liabilities, with the entire hedge relationship presented as a single entity. The Group also presents the fair value of the derivative financial instruments based on their bifurcated and trifurcated hedge accounting designations.

	2025 %	2024 %
Weighted average interest rate		
Cross currency swap contracts	5.30	5.71
Interest rate swap contracts	(0.86)	(1.21)

(b) Foreign currency risk management

The following table summarises the carrying amount and hedge accounting designations of foreign exchange contracts used to manage foreign currency exposure:

	Weighted average exchange rate	Foreign currency contract value FC'000	Carrying amount $'000	Less than 1 year $'000	1– 5 years $'000
2025					
Forward foreign currency contracts					
Buy USD (United States Dollar)	0.6583	17,425	(252)	(234)	(18)
Buy EUR (Euro)	0.5586	224	(7)	(7)	–
2024					
Forward foreign currency contracts					
Buy USD (United States Dollar)	0.6485	4,007	290	259	31

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(c) Hedge accounting

As 31 December 2025, the Group held various types of derivative financial instruments and formally designated them in cash flow and fair value hedge relationships for accounting purposes, in accordance with the requirements of AASB 9. The following table summarises the derivative financial instruments in the consolidated balance sheet and the effects of hedge accounting on the Group's financial position and performance for 2025 and 2024.

2025

	Nominal amount of hedging instrument $'000	Change in the value of the hedging instrument used for calculating hedge ineffectiveness $'000	Change in value of the hedged item used for calculating hedge ineffectiveness $'000	Change in value of the hedging instrument recognised in hedging reserve $'000	Hedge ineffectiveness recognised in (profit) and loss $'000	Amount reclassified from the cash flow hedge reserve to (profit) or loss $'000
Cash flow hedges						
Interest (up to 11 years)	3,780,000	4,802	(4,802)	(4,802)	–	–
Capital expenditure (up to 1 year)	21,567	(548)	548	584	–	–
Foreign currency debt (up to 8 years)	3,861,685	(249,336)	248,461	248,461	875	251,441
Fair value hedges						
Local currency debt (up to 8 years)	680,000	932	(1,002)	N/A	70	N/A
Foreign currency debt (up to 8 years)	3,582,351	84,982	(84,864)	N/A	(118)	N/A

2024

	Nominal amount of hedging instrument $'000	Change in the value of the hedging instrument used for calculating hedge ineffectiveness $'000	Change in value of the hedged item used for calculating hedge ineffectiveness $'000	Change in value of the hedging instrument recognised in hedging reserve $'000	Hedge ineffectiveness recognised in (profit) and loss $'000	Amount reclassified from the cash flow hedge reserve to (profit) or loss $'000
Cash flow hedges						
Interest (up to 11 years)	3,835,000	(33,982)	33,982	33,982	–	–
Capital expenditure (up to 1 year)	6,178	361	(361)	(361)	–	–
Foreign currency debt (up to 8 years)	2,618,221	276,899	(276,365)	(276,365)	(533)	(283,407)
Fair value hedges						
Local currency debt (up to 8 years)	680,000	13,469	(13,709)	N/A	240	N/A
Foreign currency debt (up to 8 years)	2,338,887	(689)	1,013	N/A	(563)	N/A

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The following table summarises the carrying amounts and accumulated fair value adjustments of the hedged items:

	Hedged items	Carrying amount $'000	Accumulated fair value adjustment $'000
As at 31 December 2025			
Bank loans	Interest bearing liabilities	(99,168)	(365)
Debt securities	Interest bearing liabilities	(4,348,863)	45,529
		(4,448,031)	**45,164**
As at 31 December 2024			
Bank loans	Interest bearing liabilities	(100,709)	633
Debt securities	Interest bearing liabilities	(3,519,470)	130,360
		(3,620,179)	**130,993**

(d) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net changes in the fair value of cash flow hedging instruments related to highly probable forecast transactions and also recognised financial liabilities (i.e. the variable interest risk rate on borrowings). The future periods in which the cash flows associated with derivative financial instruments in the cash flow hedge reserve are expected to impact profit and loss are the same as when the hedged highly probable cash flows are expected to occur.

	2025[1] $'000	2024[1] $'000
Balance at the beginning of the year	148,459	181,224
Revaluation (cash flow hedge accounting)	5,984	(23,962)
Revaluation (foreign currency basis spreads)[2]	(1,173)	(4,669)
Share of associate's hedge reserve	(1,420)	(4,134)
Balance at end of the year	**151,850**	**148,459**

1 The numbers are net of tax.

2 AASB 9 requires the foreign currency basis spreads of cross currency swaps to be separated from hedge relationships in Equity.

(e) Accounting policy

The Group uses derivative financial instruments such as interest rate swaps, cross currency swaps and foreign exchange contracts to hedge its exposure to foreign exchange and interest rate risks arising from financing activities. The Group does not speculatively trade in derivative financial instruments, however, derivative financial instruments that do not qualify for hedge accounting are accounted for as held for trading.

Derivative financial instruments are recognised at fair value (refer to note 27) determined using level 2 fair value hierarchy inputs, and using discounted cash flow analysis.

The Group applies the maturity date approach to classify derivative financial instruments. Derivative financial instruments are classified as non–current, except for those instruments that mature in less than 12 months from balance date, which are classified as current.

In order to qualify for hedge accounting all of the following hedge effectiveness testing criteria need to be met:

— 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; and

— the hedge ratio is the same as that resulting from actual amounts of hedged items and hedging instruments for risk management.

(i) Hedge ineffectiveness

Hedge ineffectiveness may arise from counterparty credit risk, changes in timing of the forecast transactions and forecast transactions not occurring. However, the Group tests the hedging effectiveness periodically to ensure that the sources of ineffectiveness do not dominate the hedge relationship.

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(ii) Fair value hedges

Changes in the fair value of a derivative financial instrument designated as a fair value hedge of the exposure to changes in fair value of a recognised asset, liability or unrecognised firm commitment, is recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, the gain or loss attributable to the hedged risk is recognised in the income statement with an adjustment to the carrying amount of the hedged item.

(iii) Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated in the hedging reserve. The ineffective portion of the gain or loss is recognised in the income statement.

When the forecast transaction subsequently results in the recognition of a non–financial asset or liability, or a forecast transaction for a non–financial asset or liability becomes a firm commitment for which hedge accounting is applied, the associated cumulative gains or losses is removed from equity and included in the initial cost or other carrying amount of the non–financial asset or liability. If a hedge of a forecasted transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into the income statement in the same year or years during which the asset acquired or liability assumed affects the income statement (e.g. when interest expense is recognised). In either case, if the amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into the income statement.

When a cash flow hedging instrument expires or is sold, terminated or exercised, and the hedged forecast transaction is still expected to occur, the cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement or used to adjust the initial cost of the non–financial item. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is immediately transferred to the income statement.

(iv) Foreign currency basis spreads

The cumulative change in fair value of the foreign currency basis spreads of cross currency interest rate swaps designated in hedge relationships is recognised as a cost of hedging in a separate component of the hedging reserve.

(f) Critical accounting estimates and judgements

The fair value of derivative financial instruments is determined as follows:

- the fair value of derivative financial instruments with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices. The quoted market price used is the current mid-price, as the derivative financial instruments are in hedging relationships with offsetting market risks; and
- the fair value of other derivative financial instruments is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Judgements about whether the Group's hedges are in effective economic relationships are on the basis of critical terms of the hedging instrument and hedged item being aligned; including face values, cash flows and currency, and the relationship between the hedged risk and the corresponding value of the hedging derivatives resulting in a hedge ratio of one.

Note 23. Financial risk management

Overview

The Group has exposure to the following risks from the use of financial instruments:

- interest rate risk
- currency risk
- credit risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

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Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk, Health, Safety and Environment Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The risk management framework operates in conjunction with several other policies of the Group, including the:

- Delegations of Financial Authority which sets out the approvals required for such transactions as investment of surplus funds, execution of hedging transactions, borrowings and issue of guarantees and indemnities;
- Treasury Operations Manual which sets out the day-to-day Treasury front office processes such as cash management and the operations of the Treasury back office, such as settlement processes and bank account operations; and
- Refinancing and Hedging Strategy which sets out the refinancing and hedging strategies over the relevant financial period.

Together, these policies provide a financial risk management framework which supports the Group's objectives of finding the right balance between risk and reward to enhance profitability and business performance while minimising current and future exposures.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:

- forward foreign exchange contracts;
- interest rate swaps ("IRS"); and
- cross currency swaps.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

It is the Group's policy to ensure, wherever possible, that all hedging activities comply with the hedge accounting requirements of AASB 9 Financial Instruments. However, there may be instances where it makes commercial and economic sense to enter into derivative financial instrument transactions that do not achieve hedge accounting. In these instances, under AASB 9 such derivative financial instruments must be classified as "held for trading". However, this classification is not an indication of intent to trade in derivative financial instruments.

The material financial risks associated with the Group's activities are each described below, together with details of the Group's policies for managing the risk.

(a) Interest rate risk

The Group is exposed to the risk of movements in interest rates on its borrowings. In addition, the regulated electricity distribution business and gas distribution business revenues are impacted directly by changes in the interest rates relating to each of their respective price review periods. This is a result of the "building block" approach where interest rates are considered in the determination of the regulatory weighted average cost of capital and consequently, regulated revenues. The price review period is five years for gas and electricity distribution. The Australian Energy Regulator ("AER") has in December 2018 issued its guidelines for determining the rate of return for regulated assets. This guideline impacts the hedging approach taken by the Group, as it now references a 10-year trailing average method rather than market observation at the start of the regulatory period. Hedging of interest rate exposure is aligned to the transition path proposed by the AER.

The objective of hedging activities carried out by the Group in relation to these businesses is to minimise the exposure to changes in interest rates by matching the actual cost of debt with the cost of debt assumed by the regulator when setting the rate of return for the relevant business. The exposure is managed by maintaining an appropriate mix of fixed and floating rate borrowings and by the use of IRS.

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The debt portfolio of the Group consists of both floating rate debt and fixed rate debt. The Group's interest rate hedging policy is linked to debt notionally allocated to the asset classes. Interest rate derivative financial instruments are used in order to maintain the percentage of allocated fixed rate debt according to the asset classes (Jemena, which includes regulated network assets and pipelines; and Zinfra, which is an infrastructure services business), as approved by the board of directors. Hedging of the regulated assets is aligned with tenures linked to the respective regulatory reset periods.

As at balance date, the Group had the following financial assets and liabilities exposed to fair value interest rate risk that were not designated in a hedging relationship:

	2025 $'000	2024 $'000
Financial assets		
Cash at bank and in hand	76,224	57,815
	76,224	**57,815**
Financial liabilities		
Bank loans and debt securities not designated in an interest rate hedging relationship	1,047,351	1,008,887
	1,047,351	**1,008,887**

The Group utilises IRS to manage its exposure to interest rate risk. Under IRS, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on debt held.

Due to the Group's interest rate risk management policies, the exposure at a corporate level to interest rate risk at any point in time is significantly reduced. At balance date, 90.8% (2024: 84.6%) of the Group's borrowings are fixed through either fixed rate debt or pay fixed IRS.

The Group's exposure to changes in interest rates is limited to exposure denominated in Australian dollars due to our policy of mitigating interest rate risk exposure on foreign currency debt. As a result, the sensitivity analysis below has only been performed based on movements in Australian interest rates. As at reporting date, if Australian interest rates had increased and decreased by 218 basis points as at 31 December 2025 (2024: 234 basis points), with all other variables held constant, post–tax profit and equity would have increased/(decreased) as follows:

Sensitivity Analysis

	2025 Net profit/(loss) $'000	2025 Equity $'000	2024 Net profit/(loss) $'000	2024 Equity $'000
Increase in Australian interest rates	(11,908)	254,947	(16,559)	262,853
Decrease in Australian interest rates	13,408	(295,826)	15,468	(307,749)

(b) Currency risk

The Group's policy is to eliminate all currency risk due to funding activities in offshore debt markets. All foreign currency denominated debt has been fully hedged through the use of CCS into Australian dollar debt. Other foreign exchange rate exposures arising from commitments to foreign currency purchases are managed within approved policy parameters utilising forward foreign exchange contracts.

The objective of the Group's currency risk management program is to eliminate material foreign exchange risk by utilising various hedging techniques as approved by the Board. The Group therefore considers currency risk exposure to be minimal.

The Group enters into CCS to manage exposures from foreign currency loans in USD, CNY, HKD, JPY and EUR (refer to note 22(c)). It is the policy of the Group to cover 100% of the exposure generated by these loans.

Under CCS, the Group agrees to exchange specified principal and interest foreign currency amounts at an agreed future date at a specified exchange rate. Such contracts enable the Group to mitigate the risk of adverse movements in foreign exchange rates.

As at balance date, the Group held the following CCS for foreign currency denominated borrowings. The maturity of these swaps matches the maturity of the relevant foreign currency denominated borrowings.

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	2025 $'000	2024 $'000
Cross currency swaps notional amounts		
USD	1,319,558	1,319,558
HKD	1,503,337	1,152,890
CNH	97,793	97,793
JPY	47,980	47,980
EUR	893,017	–
	3,861,685	**2,618,221**

The Group also enters into forward foreign exchange contracts to hedge the exchange rate risk in relation to specific purchase orders (refer to note 22(d)). It is the policy of the Group to fully hedge currency exposures above an approved threshold once the exposure is recognised. The derivative financial instrument used to hedge the exposure is entered into when there is a high degree of certainty as to the nature of the exposure, including currency, amount and delivery date so as to ensure a high level of effectiveness in cash flow hedging.

As at balance date, the Group had the following financial assets and liabilities exposed to currency risk that were not designated in a hedging relationship.

	2025 $'000	2024 $'000
Financial assets		
Cash (USD denominated)	943	81
	943	**81**

Sensitivity analysis performed by management showed that movement in foreign currencies and the impact on net profit and equity is not material.

(c) Credit risk

Credit risk refers to the risk a counterparty will default on its contractual obligations resulting in financial loss to the Group and arises from the Group's financial assets, comprising cash and cash equivalents, trade and other receivables and derivative financial instruments.

The Group has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate values of transactions conducted are spread amongst approved counterparties. The Group therefore considers credit risk exposure to be minimal.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with strong investment grade credit ratings assigned by international credit rating agencies. Accounts receivable consist of a number of customers, spread across a range of industries and geographical areas. In most part, the Group's revenue is sourced from its regulated energy networks, contracted gas pipelines with large industrial customers, and maintenance services provided predominantly to other regulated energy utilities. Despite the relatively low risk of bad debts, the Group regularly monitors the financial condition of its accounts receivable balances to ensure the exposure to bad debts is minimised. Refer to note 11 for more information.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for impairment losses and credit value adjustments, represents the Group's maximum exposure to credit risk.

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(d) Liquidity risk

The Group targets a minimum net liquidity, defined as available short-term funds and committed financing facilities. As at balance date, the Group had the following committed financing facilities available:

	2025 $'000	2024 $'000
Floating rate		
Unsecured working capital, reviewed annually:		
Amounts used - bank guarantees	53,001	37,607
Amount unused	146,999	162,393
Unsecured bilateral facilities with various maturity dates and which may be extended by mutual agreement:		
Amount used	97,793	537,793
Amount unused	100,000	25,000
Unsecured syndicated bank loan facilities:		
Amount used	305,000	975,000
Amount unused	1,095,000	525,000
Total amount used	**455,794**	**1,550,400**
Total amount unused (refer to note 1(a))[1]	**1,341,999**	**712,393**

1 Included within the total amount unused is $907 million which are available for more than 12 months from 31 December 2025.

The Group manages liquidity risk by maintaining adequate cash reserves, committed banking facilities and reserve borrowing facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As part of managing liquidity risk, the Group aims to maintain a diversified debt portfolio, in terms of maturity and source. In this regard, the Group has raised funds in both the bank debt market, the domestic and offshore capital markets. The investment grade credit rating of the Group ensures ready access to both domestic and offshore capital markets.

Liquidity risk is managed by the Group based on expected net cash inflows and outflows from financial assets and liabilities and available banking facilities combined with access to global capital markets.

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The Group continues to manage liquidity and refinancing risks in accordance with the board approved treasury management framework and long term funding principles. The following table summarises the maturities of the Group's financial assets and liabilities based on the remaining earliest contractual maturities at carrying amount.

		Undiscounted contractual cash flow				
	Carrying amounts $'000	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
As at 31 December 2025						
Financial assets						
Cash and cash equivalents	76,224	76,224	–	–	–	76,224
Receivables	387,011	388,127	–	–	–	388,127
Lease receivables[1]	71,994	12,354	12,589	22,809	55,786	103,538
Interest rate swaps	210,489	39,151	45,565	115,215	53,985	253,916
Cross-currency swaps	235,482	58,902	140,276	17,054	–	216,232
Forward foreign currency contracts	6	1	–	–	–	1
	981,206	**574,759**	**198,430**	**155,078**	**109,771**	**1,038,038**
Financial liabilities						
Variable interest rate loans	545,676	25,627	26,549	509,737	106,895	668,808
Fixed interest rate loans	5,306,793	925,609	1,242,948	1,942,420	1,964,226	6,075,203
Payables	195,711	195,711	–	–	–	195,711
Lease liabilities	105,425	38,072	35,079	35,677	4,510	113,338
Interest rate swaps	43,471	12,502	13,631	21,366	(227)	47,272
Cross-currency swaps	40,015	26,287	32,271	105,858	104,349	268,765
Forward foreign currency contracts	265	264	38	67	–	369
	6,237,356	**1,224,072**	**1,350,516**	**2,615,125**	**2,179,753**	**7,369,466**
Net maturity		**(649,313)**	**(1,152,086)**	**(2,460,047)**	**(2,069,982)**	**(6,331,428)**

1 The unearned finance income arising from the lease receivables is $31.5 million (2024: $35.4 million).

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		Undiscounted contractual cash flow				
	Carrying amounts $'000	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
As at 31 December 2024						
Financial assets						
Cash and cash equivalents	57,815	57,815	–	–	–	57,815
Receivables	333,925	338,296	–	–	–	338,296
Lease receivables	80,309	12,126	12,354	28,719	62,465	115,664
Interest rate swaps	216,722	59,476	44,900	113,441	63,571	281,388
Cross-currency swaps	360,218	(39,399)	121,383	280,074	21,016	383,074
Forward foreign currency contracts	290	262	35	–	–	297
	1,049,279	**428,576**	**178,672**	**422,234**	**147,052**	**1,176,534**
Financial liabilities						
Variable interest rate loans	1,227,580	511,307	1,071,288	378,503	297,054	2,258,152
Fixed interest rate loans	4,658,936	142,256	945,908	2,751,636	1,103,608	4,943,408
Payables	214,529	214,529	–	–	–	214,529
Lease liabilities	93,711	29,839	27,396	43,664	–	100,899
Interest rate swaps	55,439	13,567	13,362	33,842	(2,310)	58,461
Cross-currency swaps	–	3,016	2,330	7,886	14,590	27,822
Forward foreign currency contracts	–	–	–	–	–	–
	6,250,195	**914,514**	**2,060,284**	**3,215,531**	**1,412,942**	**7,603,271**
Net maturity		**(485,938)**	**(1,881,612)**	**(2,793,297)**	**(1,265,890)**	**(6,426,737)**

(e) Fair value of financial assets and liabilities

The Group classified the fair value measurements (refer note to 27) of its financial instruments using a level 2 fair value hierarchy that reflects the significance of the inputs used in making the measurements. Fair value is measured using valuation techniques and significant market observable data as well as market corroboration based on active quotes. These include industry standard interest rate, foreign exchange and currency basis yield curves sourced directly from the Treasury Management System. In addition, an adjustment to the fair value for all cross currency and interest rate swap contracts is applied for credit risk in accordance with AASB 13 Fair Value Measurement. Credit risk is obtained directly from the observable Credit Default Swap curves within the Treasury Management System for each of the relevant counterparties, with the bilateral credit risk applied uniformly across all swap assets and liabilities as at balance date.

With the exception of the below, the fair values of other financial assets and liabilities approximate their carrying amounts. For the bonds disclosed below, the carrying amount is determined by applying the last observable trading price at balance date to the instrument's face value.

	Carrying amount 2025 $'000	Carrying amount 2024 $'000	Fair value 2025 $'000	Fair value 2024 $'000
Financial liabilities				
Debt securities (fixed rate)	5,207,625	4,118,227	4,919,818	3,602,374
Debt securities (floating rate)	246,853	260,000	265,208	266,126

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(f) Financial covenants

The Group's secured bank loans are subject to specific covenants. A breach occurs if, on 30 June or 31 December of each year, (i) the Interest Cover Ratio falls to 1.5 times or below, or (ii) the Gearing Ratio reaches or exceeds 70%. In such cases, the Group may be required to repay its liabilities earlier than the contractual maturity dates. While these liabilities are classified as non–current at 31 December 2025, a future breach of the related covenants may require the Group to repay the liabilities earlier than the contractual maturity dates.

The Group regularly monitors compliance with its financial covenants and reports the outcome to its banking syndicate on a semi–annual basis. There were no covenant breaches during the year, and the Group expects to remain in compliance with the covenants for the next 12 months from the reporting date.

Note 24. Share capital

(a) Summary

	2025	2024
Fully paid ordinary shares (at $1 each)	4,000,000,100	4,000,000,100
	4,000,000,100	**4,000,000,100**

(b) Accounting policy

Ordinary share capital is recorded at the fair value of consideration received. The costs of issuing securities are charged against the share capital. Ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

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Note 25. Reconciliation of movements of assets and liabilities to cash flows arising from financing activities

		Cash flows				Non–cash changes			
	1 January 2025 Opening balance $'000	Proceeds from borrowings $'000	Repayment of borrowings $'000	Payment of lease liabilities $'000	Other $'000	Fair value changes $'000	Additions/ (Disposals) $'000	Non–cash changes Other $'000	31 December 2025 Closing balance $'000
Derivative financial instruments – assets									
Cross currency swap contracts	360,218	–	–	–	–	(124,736)	–	–	235,482
Interest rate swap contracts	216,722	–	–	–	–	(6,233)	–	–	210,489
Forward foreign exchange contracts	290	–	–	–	–	(284)	–	–	6
	577,230	**–**	**–**	**–**	**–**	**(131,253)**	**–**	**–**	**445,977**
Interest bearing liabilities									
Bank loans	1,508,289	770,000	(1,880,000)	–	–	(1,540)	–	1,242	397,991
Debt securities	4,378,227	1,243,464	–	–	–	(164,072)	–	(3,141)	5,454,478
	5,886,516	**2,013,464**	**(1,880,000)**	**–**	**–**	**(165,612)**	**–**	**(1,899)**	**5,852,469**
Derivative financial instruments – liabilities									
Cross currency swap contracts	–	–	–	–	–	40,015	–	–	40,015
Interest rate swap contracts	55,439	–	–	–	–	(11,968)	–	–	43,471
Forward foreign exchange contracts	–	–	–	–	–	265	–	–	265
	55,439	**–**	**–**	**–**	**–**	**28,312**	**–**	**–**	**83,751**
Lease liabilities									
Lease liabilities	93,711	–	–	(38,602)	–	–	46,006	4,310	105,425
	93,711	**–**	**–**	**(38,602)**	**–**	**–**	**46,006**	**4,310**	**105,425**

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		Cash flows				Non–cash changes			
	1 January 2024 Opening balance $'000	Proceeds from borrowings $'000	Repayment of borrowings $'000	Payment of lease liabilities $'000	Other $'000	Fair value changes $'000	Additions/ (Disposals) $'000	Other $'000	31 December 2024 Closing balance $'000
Derivative financial instruments – assets									
Cross currency swap contracts	96,434	–	–	–	–	263,784	–	–	360,218
Interest rate swap contracts	244,123	–	–	–	–	(27,401)	–	–	216,722
Forward foreign exchange contracts	74	–	–	–	–	216	–	–	290
	340,631	**–**	**–**	**–**	**–**	**236,599**	**–**	**–**	**577,230**
Interest bearing liabilities									
Bank loans	1,444,378	804,000	(744,000)	–	–	5,426	–	(1,515)	1,508,289
Debt securities	3,991,939	343,648	(250,000)	–	–	290,676	–	1,963	4,378,226
Convertible Instruments	800,000	–	–	–	–	–	–	(800,000)	–
	6,236,317	**1,147,648**	**(994,000)**	**–**	**–**	**296,102**	**–**	**(799,552)**	**5,886,515**
Derivative financial instruments – liabilities									
Cross currency swap contracts	12,427	–	–	–	–	(12,427)	–	–	–
Interest rate swap contracts	62,326	–	–	–	–	(6,887)	–	–	55,439
Forward foreign exchange contracts	144	–	–	–	–	(144)	–	–	–
	74,897	**–**	**–**	**–**	**–**	**(19,458)**	**–**	**–**	**55,439**
Lease liabilities									
Lease liabilities	101,496	–	–	(32,327)	–	–	20,562	3,980	93,711
	101,496	**–**	**–**	**(32,327)**	**–**	**–**	**20,562**	**3,980**	**93,711**

Notes to the consolidated financial statements

For the year ended 31 December 2025

Financing our business

Note 26. Leases

(a) Right–of–use assets

	Land and buildings $'000	Motor Vehicles $'000	Other Property, Plant and Equipment $'000	Total $'000
Year ended 31 December 2025				
Opening carrying amount - 1 January 2025	28,811	26,985	738	56,534
Additions	24,075	25,067	415	49,557
Depreciation charge	(11,009)	(15,201)	(745)	(26,955)
Disposals	(4)	(30)	–	(34)
Impairment loss	(1,505)	–	–	(1,505)
Closing carrying amount - 31 December 2025	**40,368**	**36,821**	**408**	**77,597**
At 31 December 2025				
Cost	123,430	108,480	6,221	238,131
Accumulated depreciation	(83,062)	(71,659)	(5,813)	(160,534)
Carrying amount	**40,368**	**36,821**	**408**	**77,597**
Year ended 31 December 2024				
Opening carrying amount - 1 January 2024	31,313	20,489	210	52,012
Additions	6,328	17,501	1,329	25,158
Depreciation charge	(8,822)	(10,997)	(801)	(20,620)
Disposals	(8)	(8)	–	(16)
Closing carrying amount - 31 December 2024	**28,811**	**26,985**	**738**	**56,534**
At 31 December 2024				
Cost	99,464	83,497	5,806	188,767
Accumulated depreciation	(70,653)	(56,512)	(5,068)	(132,233)
Carrying amount	**28,811**	**26,985**	**738**	**56,534**

(b) Lease receivables

At 31 December 2025, the lease receivables of $72.0 million, pertain to two categories: property sub–leases, which are classified as finance sub–leases and finance leases of the Group's owned infrastructure assets. Of the total balance, $8.4 million are due within 12 months of the reporting date and $63.6 million are due beyond 12 months.

The maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date, is disclosed in note 23(d).

(c) Lease liabilities

	2025 $'000	2024 $'000
Balance as at 1 January	93,711	101,496
Additions/(Disposals)	46,006	20,562
Interest expense	4,310	3,980
Payments	(38,602)	(32,327)
Balance as at 31 December	**105,425**	**93,711**
Comprising:		
Current	34,407	26,520
Non–current	71,018	67,191
	105,425	**93,711**

Notes to the consolidated financial statements

For the year ended 31 December 2025

Financing our business

(d) Accounting policy

As a lessee

All leases with the exception of short–term (under 12 months) and low–value leases are recognised on the balance sheet, as a right–of–use asset and a corresponding lease liability. Lease liabilities are initially measured at the present value of the future lease payments from the lease commencement date and are subsequently adjusted to reflect the interest on lease liabilities, lease payments and any remeasurements due to, for example, lease modifications or a change to future lease payments linked to an index or rate. Lease payments are discounted using the interest rate implicit in the lease or, where the rate is not readily determinable, the interest payments are discounted at the Group's weighted average incremental borrowing rate, adjusted to reflect factors specific to the lease, including where relevant the currency, tenor and location of the lease.

Low–value and short–term leases are expensed to the income statement. Variable lease payments not dependent on an index or rate are excluded from lease liabilities, and expensed to the income statement.

The right–of–use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

The right–of–use asset is subsequently depreciated using the straight–line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right–of–use asset reflects that the Group will exercise a purchase option. In that case the right–of–use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right–of–use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non–lease components, then the Group applies AASB 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in AASB 9 to the net investment in the lease and regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight–line basis over the lease term as part of 'other income'.

(e) Critical accounting estimates and judgements

The assessment of lease term requires judgement as to whether the Group is reasonably certain to exercise extension options.

Some property leases contain extension options exercisable by the Group up to one year before the end of the non–cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group re–assesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Note 27. Fair value measurement

(a) Accounting policy

The Group defines a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

— Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities;

— Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

— Level 3 inputs: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the consolidated financial statements

For the year ended 31 December 2025

Group structure

Note 28. Parent entity information

(a) Parent entities

The Company is the ultimate Australian parent of the Group.

The ultimate parent entity is State Grid Corporation of China which maintains a 60% controlling interest in the Group. The remaining 40% interest in the Group is held by Singapore Power Limited.

(b) Financial information of the Company

	2025 $'000	2024 $'000
Balance sheet		
Current assets	6,022,655	5,380,012
Non-current assets	6,451,441	6,623,669
Total assets	**12,474,096**	**12,003,681**
Current liabilities	4,658,626	3,959,808
Non-current liabilities	4,768,426	4,991,734
Total liabilities	**9,427,052**	**8,951,542**
Share capital	4,000,000	4,000,000
Reserves	112,784	107,589
Retained earnings	24,892	35,182
Accumulated losses	(1,090,632)	(1,090,632)
Total equity	**3,047,044**	**3,052,139**
Income statement		
Profit for the year	193,310	274,226
Other comprehensive loss for the year	5,195	(28,884)
Total comprehensive income for the year	**198,505**	**245,342**
Dividends		
Dividends paid to shareholders: $0.05 per share (year ended 31 December 2024: $0.07 per share)	203,600	252,800

(c) Disclosures of the Company

The Company has provided performance guarantees on behalf of the Group. No liability was recognised as the fair value of the guarantees is immaterial.

The Company did not have any contractual commitments for the acquisition of property, plant and equipment as at 31 December 2025 nor 31 December 2024.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Group structure

Note 29. Subsidiaries

(a) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities, equity, revenues and expenses and cash flows of the following subsidiaries:

Name of entity	Name of entity
Jemena Limited	Jemena Queensland Gas Pipeline (1) Pty Ltd
Jemena Asset Management Pty Ltd	Jemena Queensland Gas Pipeline (2) Pty Ltd
Jemena Asset Management (5) Pty Ltd	Jemena Malabar Pipeline Pty Ltd
Jemena Management Holdings Pty Ltd	Jemena Colongra Pty Ltd
Jemena Management Services Pty Ltd	Jemena EH Pty Ltd
Jemena Electricity Networks (Vic) Ltd	Jemena Holdings Pty Ltd
Jemena Gas Networks (NSW) Ltd	Jemena Group Holdings Pty Ltd
Jemena Gas Pipelines Holdings Pty Ltd	QGP Unit Trust
Jemena Eastern Gas Pipeline (1) Pty Ltd	Jemena Gas Trust
Jemena Eastern Gas Pipeline (2) Pty Ltd	Jemena Northern Gas Pipeline Pty Ltd
Jemena Eastern Gas Pipeline (3) Pty Ltd	Jemena Darling Downs Pipeline (1) Pty Ltd
Jemena Networks (ACT) Pty Ltd	Jemena Darling Downs Pipeline (2) Pty Ltd
Jemena Eastern Gas Pipeline Holdings Pty Ltd	Jemena Darling Downs Pipeline (3) Pty Ltd
Jemena Roma North Pipeline Pty Ltd	Ovida Infrastructure Pty Ltd
Jemena Atlas Processing Pty Ltd	Ovida Pty Ltd
Jemena Roma North Processing Pty Ltd	CLM Infrastructure Pty Ltd
Jemena Contracting Services (West) Pty Ltd	Zinfra Pty Ltd
Jemena NSGC Pty Ltd	ZNX Pty Ltd
Jemena Gas Transmission Pty Ltd	ZNX (2) Pty Ltd
Jemena VicHub Pipeline Pty Ltd	Zinfra Contracting Pty Ltd

All subsidiaries are incorporated in Australia and 100% of their share capital / units issued was owned by the Group during the current year and prior year.

(b) Accounting policy

(i) Business combinations

The Group accounts for business combinations using the acquisition method. The Group identifies the acquirer and the acquisition date. As of the acquisition date, the Group recognises the identifiable assets acquired and the liabilities assumed at their acquisition–date fair values. Then, the Group recognises goodwill as of the acquisition date, measured as the excess of the fair value of consideration transferred over the net assets or net liabilities recognised as described.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and other components of equity. Any resulting gain or loss is recognised in the income statement. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iii) Transactions eliminated on consolidation

Intra–group balances and transactions, and any unrealised income and expenses arising from intra–group transactions, are eliminated in preparing the consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Group structure

Note 30. Deed of cross guarantee

Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785 ("Instrument") the wholly–owned subsidiaries ("Instrument") listed below are relieved from the Corporations Act 2001 (Cth) requirements for preparation, audit and lodgement of financial reports, and directors' reports.

The relief is conditional upon the Company and each subsidiary entering into a Deed of Cross Guarantee ("ASIC Deed"). The effect of the Deed is that in an insolvency scenario each party to the deed will guarantee payment to creditors of the proven debts of an insolvent entity that is party to the ASIC Deed.

In the year ended 31 December 2019, the Company entered into two ASIC Deeds, being with the Jemena subsidiaries ("Jemena closed group") and the Zinfra subsidiaries ("Zinfra closed group") as specified below.

The subsidiaries subject to the Jemena closed group ASIC Deed are:

Jemena Limited
Jemena Asset Management Pty Ltd
Jemena Management Holdings Pty Ltd
Jemena Management Services Pty Ltd
Jemena Electricity Networks (Vic) Ltd
Jemena Gas Networks (NSW) Ltd
Jemena Gas Pipelines Holdings Pty Ltd
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Jemena Eastern Gas Pipeline (3) Pty Ltd
Jemena Networks (ACT) Pty Ltd
Jemena Eastern Gas Pipeline Holdings Pty Ltd
Jemena Roma North Pipeline Pty Ltd
Jemena Roma North Processing Pty Ltd[1]
Jemena Gas Transmission Pty Ltd
Jemena VicHub Pipeline Pty Ltd
Jemena Queensland Gas Pipeline (1) Pty Ltd
Jemena Queensland Gas Pipeline (2) Pty Ltd
Jemena Malabar Pipeline Pty Ltd
Jemena Colongra Pty Ltd
Jemena EH Pty Ltd
Jemena Holdings Pty Ltd
Jemena Group Holdings Pty Ltd
Jemena Northern Gas Pipeline Pty Ltd
Jemena Darling Downs Pipeline (1) Pty Ltd
Jemena Darling Downs Pipeline (2) Pty Ltd
Jemena Darling Downs Pipeline (3) Pty Ltd
Jemena Atlas Processing Pty Ltd[1]

1 Jemena Roma North Processing Pty Ltd and Jemena Atlas Processing Pty Ltd became parties to the existing ASIC Deed for the Jemena closed group during the year ended 31 December 2025.

The subsidiaries subject to the Zinfra closed group ASIC Deed are:

Zinfra Pty Ltd
ZNX (2) Pty Ltd
Zinfra Contracting Pty Ltd
ZNX Pty Ltd

There have been no changes to the Zinfra closed group during the year ended 31 December 2025.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Group structure

A consolidated income statement, comprehensive income and balance sheet, comprising the Company and controlled entities which are a party to the ASIC Deeds, after eliminating all transactions between parties to the ASIC Deeds for the year ended 31 December 2025 is set out as follows:

Income statement for the year ended 31 December 2025

	2025 Jemena closed group[1] $'000	2025 Zinfra closed group[1] $'000	2024 Jemena closed group[1] $'000	2024 Zinfra closed group[1] $'000
Revenue	1,643,472	1,376,005	1,572,866	1,214,139
Other income	15,230	299,546	9,764	374,520
Share of net profits of associate and joint venture	122,330	53,359	97,813	56,572
Expenses excluding net finance costs	(1,064,752)	(1,323,385)	(1,008,942)	(1,163,985)
Operating profit	**716,280**	**405,525**	**671,501**	**481,246**
Finance income	8,250	47,337	8,429	45,983
Finance costs	(237,348)	(246,492)	(227,120)	(232,510)
Net finance costs	**(229,098)**	**(199,155)**	**(218,691)**	**(186,527)**
Profit before income tax expense	487,182	206,370	452,810	294,719
Income tax expense	(128,901)	34,902	(120,353)	29,010
Profit after income tax expense for the year	**358,281**	**241,272**	**332,457**	**323,729**
Other comprehensive (loss)/income for the year[2]	**3,451**	**5,817**	**(31,871)**	**(30,590)**
Total comprehensive income for the year	**361,732**	**247,089**	**300,586**	**293,139**

During the year, the Company paid dividends of $203.6 million to the shareholders (2024: $252.8 million).

1 The closed group comprises SGSPAA and certain Jemena (for Jemena closed group) or Zinfra (for Zinfra closed group) subsidiaries as listed above.

2 Other comprehensive income comprises defined benefit superannuation plan actuarial gain/(loss), movement in hedging reserve and share of other comprehensive income from the associate.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Group structure

Balance Sheet as at 31 December 2025

	2025 Jemena closed group[1] $'000	2025 Zinfra closed group[1] $'000	2024 Jemena closed group[1] $'000	2024 Zinfra closed group[1] $'000
Current assets				
Cash at bank and in hand	15,754	60,000	–	58,197
Receivables	177,699	3,849,680	227,277	3,752,355
Inventories	15,951	86,126	13,263	69,349
Derivative financial instruments	73,865	73,864	1,340	1,132
Lease receivables	7,774	–	7,308	–
Prepayments and deposits	34,265	5,227	32,078	4,386
Total current assets	**325,308**	**4,074,897**	**281,226**	**3,885,419**
Non–current assets				
Property, plant and equipment	8,752,839	61,756	8,473,123	35,719
Intangible assets	1,710,213	37,311	1,689,760	38,763
Investment in subsidiaries	–	4,715,299	–	4,715,299
Investments in associate and joint venture	1,658,707	468,169	1,600,546	441,163
Right of use assets	31,732	45,864	23,160	33,374
Lease receivables	58,349	–	66,537	–
Prepayments and deposits	866	–	442	–
Derivative financial instruments	372,113	372,107	575,864	575,833
Defined benefit superannuation plans	16,774	43,135	17,156	37,498
Total non–current assets	**12,601,593**	**5,743,641**	**12,446,146**	**5,877,649**
Total assets	**12,926,901**	**9,818,538**	**12,727,854**	**9,763,068**
Current liabilities				
Payables	186,788	118,676	327,214	134,815
Provisions	93,286	132,864	93,946	93,888
Interest bearing liabilities	837,092	837,092	614,388	614,388
Income tax payable	26,322	26,322	17,072	17,072
Contract liabilities	274,716	14,786	150,827	45,068
Derivative financial instruments	112	128	–	–
Lease liabilities	18,120	16,287	16,294	10,226
Total current liabilities	**1,436,436**	**1,146,155**	**1,219,741**	**915,457**
Non–current liabilities				
Interest bearing liabilities	5,015,378	5,015,378	5,272,128	5,272,128
Provisions	137,733	18,739	96,201	10,228
Deferred tax	1,199,588	28,368	1,159,294	34,054
Lease liabilities	39,934	31,084	43,098	24,093
Contract liabilities	14,313	–	15,009	–
Derivative financial instruments	83,511	83,487	55,438	55,438
Total non–current liabilities	**6,490,457**	**5,177,056**	**6,641,168**	**5,395,941**
Total liabilities	**7,926,893**	**6,323,211**	**7,860,909**	**6,311,398**
Net assets	**5,000,008**	**3,495,327**	**4,866,945**	**3,451,670**
Share capital	4,000,000	4,000,000	4,000,000	4,000,000
Reserves	(36,117)	220,457	(39,615)	216,790
Retained earnings	1,036,125	(725,130)	906,560	(765,120)
Total equity	**5,000,008**	**3,495,327**	**4,866,945**	**3,451,670**

1 The closed group comprises SGSPAA and certain Jemena (for Jemena closed group) or Zinfra (for Zinfra closed group) subsidiaries as listed above.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Group structure

Jemena's closed group current liabilities exceed its current assets by $1,111 million, mainly due to the classification of debt facilitates that are set to mature in 2026. The Jemena closed group has access to unused debt facilities of $1,342 million (refer to note 23(d)), of which $907 million are available for more than 12 months from the date of authorisation of these financial statements. On the basis of present forecasts for positive future operating cash flows, the ability of the closed group to manage its investing activities and the current status of refinancing activities for debt facilities which mature over the next twelve months, there are reasonable grounds to believe that each entity of the closed group will be able to meet any liabilities to which they are, or may become, liable pursuant to the ASIC Deed.

Note 31. Related party transactions

(a) Related entities

Following are the Group's related entities which are identified in accordance with AASBs:

- The Group, via Zinfra, engages in related party transactions with its associate, UEDH, for construction and maintenance of its electricity network in Victoria.
- The Group engages in related party transactions with its joint venture, ADP, regarding to the management, development, construction, operation and maintenance of the electricity and the gas networks in ACT, Queanbeyan and Nowra, and other ancillary arrangements with ADP.

Services between related parties are provided on mutually agreed terms.

(b) Subsidiaries

Interests in subsidiaries are set out in note 29(b).

(c) Key management personnel

Key management personnel compensation paid (including salaries, superannuation and bonuses) is set out below. The key management personnel of the Group comprise the directors and those executives that report directly to the Managing Director.

	2025 $'000	2024 $'000
Short-term employee benefits	10,271	8,784
Long–term employee benefits	2,531	1,249
Post-employment benefits	276	314
Total	**13,078**	**10,347**

Notes to the consolidated financial statements

For the year ended 31 December 2025

Group structure

(d) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2025 $'000	2024 $'000
Sales of goods and services		
Associate	205,235	182,218
Joint venture	30,678	31,021
Other income		
Associate - interest on redeemable preference shares	9,492	9,520
Associate – directors' fees	30	30
Joint venture – directors' fees	277	253
Purchase of goods		
Administration expenses to shareholders	7	7
Dividend payments		
Dividend payments to:		
Shareholders	203,600	252,800

(e) Outstanding balances with related parties

The following related party balances are outstanding at balance date:

	Consolidated	
	2025 $'000	2024 $'000
Current receivables		
Associate	37,420	30,301
Joint venture	6,547	13,016

Notes to the consolidated financial statements

For the year ended 31 December 2025

Other disclosures

Note 32. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company and its subsidiaries.

(a) Audit services

	Consolidated	
	2025 $'000	2024 $'000
Statutory audit	1,100	550
Regulatory audits	353	681
Sustainability report assurance	87	–
Total remuneration for audit services	**1,540**	**1,231**

(b) Other services

	Consolidated	
	2025 $'000	2024 $'000
Taxation services	114	14
Other assurance services	79	161
Regulatory advisory services	106	68
Total remuneration for other services	**299**	**243**

The Group changed its external auditor during the year ended 31 December 2025. As a result, the auditor remuneration disclosed for the current year relates to Ernst & Young, while the comparative amounts relate to the former auditor, KPMG.

Ernst & Young performs both the statutory audit, sustainability assurance and the audit of regulatory returns as these returns represent an extension of the information obtained from the statutory audit. Using the same firm for these audits contributes to the efficiency of the audit process.

Note 33. Events occurring after the reporting period

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Director's declaration

For the year ended 31 December 2025

In the directors' opinion:

1 The consolidated financial statements and notes set out on pages 6 to 68 are in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.

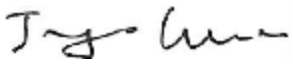
2 There are reasonable grounds to believe that the Company:

(a) will be able to pay its debts as and when they become due and payable: and

(b) together with the group subsidiaries identified in note 30, as parties to the Deeds of Cross Guarantee ("ASIC Deeds"), will be able to meet any liabilities to which they are, or may become, liable pursuant to the ASIC Deeds.

3 The directors draw attention to note 1 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the board of directors.



David Gillespie
Managing Director

Jiang Longhua
Chairman

12 March 2026

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Independent Auditor's Report to the Members of SGSP (Australia) Assets Pty Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of SGSP (Australia) Assets Pty Ltd (the Company) and its subsidiaries (collectively the Group), which comprises:

- The Group consolidated and Company balance sheet as at 31 December 2025;
- The Group consolidated and Company income statement, statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended;
- Notes to the financial statements, including material accounting policy information; and
- The directors' declaration.

In our opinion, the accompanying financial report is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the Company's and the Group's financial position as at 31 December 2025 and of their financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Impairment testing of non-current assets, including goodwill

Why significant	How our audit addressed the key audit matter
At 31 December 2025, the Group has recognised non-current assets including property, plant and equipment ($8,602.6 million), goodwill ($1,536.4 million) and other intangible assets ($192.1 million). These non-current assets, represents 78% of the total assets held at 31 December 2025. Management conducts annual impairment tests (or more frequently if impairment indicators exist) to assess the recoverable amount of goodwill, other intangible assets and property plant and equipment balances. These assessments are performed through the preparation of discounted cash flow fair value less cost of disposal models to assess whether the carrying value of these assets exceed their recoverable amount. As the Group operates in an industry that is highly regulated and subject to ongoing market risk due to energy transition, the determination of recoverable amount requires significant judgements and assumptions. These judgements and assumptions include future returns, estimated capital and operating expenditure, discount rates, growth rates and terminal value assumptions. The estimate of recoverable amounts of certain cash generating units (CGUs) are highly sensitive to changes in these key assumptions. There is a risk that management does not forecast reasonable 'best estimate' scenarios in assessing the impacts of climate change and energy transition related risks when assessing CGUs for impairment. Given the value of the non-current assets held and the significance of management's judgements and assumptions in estimating recoverable amount, the assessment of the outcomes from impairment testing undertaken was a key audit matter. The Group's disclosures are included in Note 18 of the financial report, which specifically explain the key assumptions used.	Our audit procedures included assessing the appropriateness of the Group's determination of its CGUs where impairment testing was performed, taking into consideration the levels at which management monitors business performance and the interdependency of cash flows. In respect of the Group's cashflow forecasts, for relevant CGUs, where indicators of impairment were present or in CGUs that contained significant goodwill balances as at 31 December 2025, with the assistance of valuation specialists where appropriate, we: ▸ Assessed the Group's results in comparison to historical forecasts to assess forecast accuracy ▸ Compared future cash flows to approved budgets ▸ Assessed the Group's assumptions for discount rates, long term growth rates and terminal value to economic and industry forecasts and independent data ▸ Assessed the adequacy of capital expenditure forecasts ▸ Assessed discount rates through comparing the cost of capital for the Group with comparable businesses ▸ Assessed the Group's assumptions related to climate change and energy transition risks including the capital expenditure and costs required to meet its committed decarbonisation plans ▸ Considered the indicative multiples against comparable companies as a valuation cross check ▸ Tested the mathematical accuracy of the discounted cash flow model Where considered necessary, we performed a sensitivity analysis in respect of the assumptions noted above which were considered to have the most significant impact on carrying values, to ascertain the extent of changes in those assumptions which either individually or collectively would be required for the non-current assets (including goodwill) to be impaired. We assessed the likelihood of these changes in assumptions arising. We assessed the adequacy of the Group's disclosures of those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination

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Why significant	How our audit addressed the key audit matter
	of the recoverable amount of non-current assets, including goodwill. We assessed the adequacy of the Group's disclosures of those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of non-current assets, including goodwill.

Recognition of electricity and gas distribution revenue and infrastructure services revenue

Why significant	How our audit addressed the key audit matter
For the year ended 31 December 2025, the Group has recognised $2,368.1 million of revenue (as disclosed in Note 5 Operating Segments and Note 6 Revenue of the financial statements). Revenue recognised during the year largely arose from electricity and gas distribution revenue ($1,078.9 million) and infrastructure services revenue ($748.6 million). These revenue streams represent 77.2% of the Group's total revenue for the year. A significant component of the electricity and gas distribution revenue recognition processes relies on IT systems with automated controls over the measurement and recording of a high-volume of transactions. This was a key focus of our audit due to the complexity of the IT processes used to capture consumption volumes and tariff information to calculate electricity and gas distribution revenue. In addition, the measurement and recognition of infrastructure services revenue projects involves key estimates, which includes estimated project costs to complete, forecasted contract value (including approved variations) and the recoverability of costs recognised as work in progress. As there are greater estimation uncertainty and complexity in these areas, auditing these estimates requires significant judgement. Given the above, we have identified the recognition of electricity and gas distribution revenue and infrastructure services revenue as a key audit matter.	In combination with our IT specialists, we assessed the Group's automated controls relating to IT systems relevant to the recognition of electricity and gas distribution revenue. Where testing of controls was not considered to be an appropriate or efficient testing approach, alternative audit procedures were performed on the information being produced by those systems. We have also performed other audit procedures including: ▸ Testing a sample of tariffs from the billing system back to approved regulatory determinations. ▸ Performed correlation analysis of electricity and gas distribution revenue through comparison to movements in external trade receivables and/or cash receipts (supported by sample testing of cash receipts to bank statements). ▸ Tested a sample of electricity and gas unbilled revenue balances back to actual billings post year end. ▸ Performed substantive analytical procedures on the electricity and gas unbilled revenue balance at year end using historical consumption patterns and approved tariff rates. For a selection of infrastructure services projects based on qualitative and quantitative factors, we performed the following procedures: ▸ Tested the forecasted contract value for a sample of infrastructure services projects back to supporting evidence such as contracts, approved variation orders and/or claims.

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Why significant	How our audit addressed the key audit matter
	▸ Conducted interviews with Project Managers to understand the status of the project and the existence of any material claims or disputes. ▸ Assessed the cost to complete estimate which is used to calculate the percentage of completion applied to contract value. ▸ Assessed the recoverability of work in progress and accounts receivable balances which included obtaining evidence of project progress updates, approved project budget updates, customer approved contracts and/or approved variations. ▸ Recalculated the revenue based on the input method for fixed price projects to assess the amount of revenue recorded.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2025 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or Group or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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Shape the future with confidence

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Brett Croft
Partner
12 March 2026

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Financial Sustainability Report

AASB S2

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Cover artwork

The artwork presented within the shape on the previous page was created by Chern'ee Sutton, a proud Kalkadoon woman and Aboriginal artist from Mount Isa, Queensland.

1. Preface

1.1. CY25 climate-related financial disclosures

This Sustainability Report contains a complete set of material climate-related financial information for the **Group**. This report has been prepared in accordance with s292A of the *Corporations Act 2001* (Cth) and AASB S2 *Climate-related Disclosures* (**AASB S2**), which is the mandatory Australian Sustainability Reporting Standard (**ASRS**) that has been issued by the Australian Accounting Standards Board (AASB). This Sustainability Report discloses the **Group's** material financial risks and opportunities related to climate for the financial year ended 31 December 2025.

The **Group** has early adopted the Amendments to AASB S2 Climate-related Disclosures, issued by the Australian Accounting Standards Board in December 2025, for the reporting period ended 31 December 2025. The amendments are effective for annual reporting periods beginning on or after 1 January 2027, but with early adoption permitted.

The **Group** calculates its Scope 3 emissions voluntarily in accordance with the Greenhouse Gas (**GHG**) Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3). The **Group** applies the year 1 transition relief available under paragraph C4(b) of AASB S2, whereby Scope 3 emissions are not yet required to be calculated and reported in accordance with the AASB S2 framework. As such, the **Group** has not obtained independent assurance on its CY25 Scope 3 emissions. The **Group** is also applying the transition relief per AASB S2 paragraph C3 not to disclose comparatives.

This Sustainability Report has been prepared for the same consolidated reporting entity and reporting period as the **Group's** Consolidated Financial Statements (please refer to "Note 1 Basis of preparation" in the Financial Statements) and has incorporated the AASB S2 required climate-related information of the **Group**.

1.2. Directors' declaration

In the opinion of the Directors of the **Company**, we state that the **Company** has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of the **Group** for the year ended 31 December 2025, as presented on pages 78 to 124, are in accordance with the *Corporations Act 2001* (Cth), including:

a) complying with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures and any further requirements determined under *Section 296C(2)* of the *Corporations Act 2001*; and

b) containing the climate statement disclosures required by *Section 296D* of the *Corporations Act 2001*.

Made in accordance with a resolution of the directors of the **Company** pursuant to *Section 296A(6)* of the *Corporations Act 2001*, as modified by *Section 1707C(2)* of the *Corporations Act 2001*.

On behalf of the board of directors

David Gillespie
Managing Director

Jiang Longhua
Chairman

12 March 2026

1.3. Important information about this sustainability report

This report has been prepared for the purpose of complying with mandatory climate-related financial disclosures required under the *Corporations Act 2001* (Cth) and should not be used for any other purpose. The assessment of climate-related risks and opportunities that could reasonably be expected to affect the **Group's** prospects, and their current and anticipated effects on the **Group's** business model and value chain, strategy and decision making, financial position, financial performance and cash flows, has been made using all reasonable and supportable information available to the **Group** at the date of this Sustainability Report without undue cost or effort. The **Group** has used data collated from across its value chain to disclose quantitative and qualitative metrics and financial effects. Where these effects are forward-looking or cannot be measured directly, the **Group** has provided estimates using internal and external information (including industry and expert benchmarks and reports) that are available.

Any statements made in this document as to future actions by the **Group**, including without limitation climate change, sustainability, and net zero related forward-looking statements, targets, commitments, estimates, and assumptions, are predictive in nature. While the **Group** has made every effort to ensure that forward-looking statements are reasonably based and the assumptions underlying the statements are made clear, such statements and the implementation process or outcome(s) may be affected by incorrect assumptions or by known and unknown risks, uncertainties and events beyond the control of the **Group**. As a result, the ultimate action(s) and outcome(s) may differ from the assessment(s) and statement(s) described in this Sustainability Report.

The scenario modelling used in *Section 2.5 Building resilience through climate scenario analysis* of this report to assess the **Group's** resilience to climate-related transition risks drew on scenarios prepared by the Australian Energy Market Operator (**AEMO**) and presented in its *2024 Integrated System Plan* (**ISP**) and draft *2025 Inputs, Assumptions and Scenarios Report* (**IASR**) (February 2025). Physical climate risk scenario modelling is derived from various inputs including AECOM's Climate Change Study for Victorian Electricity Distribution Businesses – Phase 1 and the Climate Council's Climate Risk Map of Australia. The scenario modelling presents multiple plausible futures and is adopted here as relevant to the **Group's** business to assist in the assessment of climate resilience. Predictive in nature, there is no assurance given as to future outcomes or that any particular scenario will be realised.

The **Group** and its officers, employees, agents and advisers give no guarantee of future performance or outcomes and, to the extent permitted by law, are not liable for any loss or damage arising out of, or in connection with, any use of, or reliance on, the information contained in this document.

2. Strategy

2.1. Group view of Australia's future energy system

Australia's energy system is becoming more complex and interconnected as we transition toward a net zero future. A diverse range of energy sources is anticipated to be required to power society while ensuring an inclusive transition for all.

Residential and commercial end users have demonstrated strong electrification adoption and growing use of Consumer Energy Resources (**CER**). Industrial electrification is increasing, particularly in sectors not reliant on high-grade heat to power their operations. The transport sector is also evolving, with the rise of electric vehicles placing more demand on electricity networks. The growing adoption of Artificial Intelligence (**AI**) across industries is anticipated to drive up electricity demand, particularly for powering data centres. Challenges remain in decarbonising industrial processes that rely on high-grade heat, as well as sectors beyond those currently connected to energy distribution networks like commercial transport and aviation.

During this transition, natural gas and its infrastructure continue to support applications that are difficult or costly to electrify by switching from higher emitting fuels such as coal to gas. Increasing use of flexible gas-powered generation (**GPG**) is anticipated to be required to replace retiring coal-fired generation, firming the increasing penetration of intermittent renewable electricity generation. Renewable low-emission gases like biomethane, synthetic methane and renewable hydrogen (< 10 per cent[1]) can connect into existing gas infrastructure and contribute to decarbonisation of hard-to-electrify end users.

According to AEMO's draft 2026 ISP, renewable electricity firmed by storage and backed up by GPG offers the optimal development pathway to decarbonise the National Electricity Market (**NEM**).

The **Group** makes the following assumptions on key factors shaping the energy transition. These are anticipated to impact our identification and assessment of climate-related risks and opportunities that informs the **Group's** strategic decisions in a changing operating environment.

- **Continued demand for gas:** Gas infrastructure is expected under current assumptions to remain essential through 2050, supporting renewable electricity generation through increased GPG and other users who have high barriers to electrification.
- **Recognition of renewable gases:** Governments recognise biomethane and hydrogen as key energy sources, providing incentives through initiatives such as *Future Made in Australia*.
- **Electrification and transition pace:** Australia's electricity demand is projected to nearly double by 2050, requiring a rapid transition and diversification of its energy system supported by significant investment across all areas of the power system value chain.
- **Government policies and regulation:** Governments are setting medium-term climate targets that require a step-change in emissions reduction across all sectors. Achieving these targets will require a set of comprehensive policies and regulations to enable a coordinated whole-of-system approach to deliver transition to net zero emissions future through renewable gases, efficiency measures, GPG, and electrification.

1 Currently, hydrogen must be blended because it needs to be transported under higher pressure. In transitioning towards using hydrogen within gas networks, network operators are currently blending small amounts of hydrogen, as the current network and appliances are not hydrogen capable. Around the world, blends of up to 10 per cent hydrogen are being used without compromising or modifying existing gas networks and research continues in this area to increase our understanding of what is required to achieve higher blends (see for instance Future Fuels CRC research in this area).

2.2. Business strategy

The **Group's** Vision is "Creating sustainable energy solutions with communities", and its aspiration is to reach net zero Scope 1 and 2 emissions[2] by 2050, delivering a mix of fuels and services safely, reliably, and affordably.

The **Group's** business strategy is focused on the following key energy markets, in which it operates:[3]

- regulated gas and electricity distribution networks;
- gas transmission and gas processing assets; and
- energy infrastructure services.

THE GROUP'S STRATEGY OBJECTIVES:

Continue to build a safe and inclusive workplace

- Ensure our people are safe and feel a sense of belonging in our diverse workforce.

Deliver safe, reliable, and affordable energy and sustainable performance for all

- Deliver products and services that customers want at prices they are willing to pay to deliver appropriate market risk weighted returns.
- Optimise and continually improve operations to remain competitive in existing markets and position ourselves to realise opportunities to profitably grow value.
- Sustainably manage our value growth, risks, investment, and asset utilisation over the short, medium, and long term for stakeholders.

Transition our assets to enable a resilient energy future

- Position the business to continuously adapt and proactively respond to the opportunities and risks created through the evolving Australian energy markets, rapid technological and regulatory developments and our customers' changing and varied needs.

The **Group** continues to play an important part in supporting Australia's energy transition to achieve a net zero future, as it continues to implement the **Group's** Climate Transition Plan (**CTP**) released in February 2025. Through its CTP, the **Group** is:

- aiming to invest $185 million in energy and climate transition initiatives;
- targeting a 30 per cent reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030, compared to a 2021–22 baseline; and
- fully integrating climate considerations into our climate processes and business.

Following further review in 2025, the **Group** has adjusted its CTP objective to achieve 55–45 gas-electricity portfolio by 2030, through investment in opportunities arising in the Jemena Electricity Network. This is to enable a disciplined and prudent capital allocation approach towards material transitional risk and opportunities arising from the energy transition. We do not anticipate this having an impact on our ability to achieve our interim 2030 greenhouse gas emissions targets.

The **Group** anticipates that ongoing strong Federal and State/Territory policies and regulatory positioning on the role of gas in energy transition will support asset investments. The energy demand from electrification and data centres continues to drive growth in the **Group's** electricity network and for the energy infrastructure services business.

Zinfra provides growth opportunities and helps complement the **Group's** financial performance and position. By leveraging the key relationships with its clients and its workforce with in-demand skills for energy transition, the **Group** anticipates increasing earnings supported by disciplined cost management and operational efficiency resulting in year-on-year revenue growth, productivity and Earnings before interest and taxes improvement.

2 Net zero emissions is defined as "an overall balance between greenhouse gas emissions and removals" per Australia's Net Zero Plan. This covers Scope 1 and 2 emissions, with offsets used only as a last resort.

3 Information about our activities and the location and function of our networks, assets, energy infrastructure services (Zinfra) is in the 'Principal Activities' section on page 1 of this report.

2.3. Relevant climate-related risks and opportunities

The **Group** identified its climate-related risks and opportunities and determined their anticipated effects on each core business through the processes outlined in *Section 5 Risk management*. This process is used to identify whether these are driven by transition climate developments (transition risks and opportunities) or physical climate hazards (physical risks). The **Group** notes that these risks and opportunities are anticipated to evolve over time with reference to the following defined time horizons:

Short-term
(0–5 years)

Medium-term
(5–10 years)

Long-term
(10–25 years)

The **Group's** time horizons are set based on the regulatory cycles of its assets, alignment with internal business planning horizons, asset lives of infrastructure, and the availability of AEMO data sets.

The risks and opportunities are not geographically concentrated unless otherwise stated.

The anticipated effects of climate-related risks and opportunities are integrated into long-term strategic planning and risk management. Each of the specific risks and opportunities and their anticipated effects over the short, medium, and long term are detailed below.

The **Group** utilises its Investment Management Framework (IMF) to maintain capital discipline and ensure prudent capital allocation to generate resilient returns for the **Group** and its stakeholders.

Leveraging the **Group's** core competencies in the asset business and the energy infrastructure services business, the **Group** is well positioned to transition its assets and deliver safe, affordable and sustainable energy. The **CTP** (*Section 2.4 Climate Transition Plan*) articulates how the **Group** intends to decarbonise and achieve its interim climate targets by 2030.

INTERACTION WITH MATERIAL INFORMATION IN FINANCIAL STATEMENTS

The **Group's** material risks and opportunities (including climate hazards and developments) inform key assumptions used in impairment testing and asset life estimates. Further information about impairment testing is disclosed in note 18 (Impairment testing) of the financial statements.

Climate-related opportunities

Climate-related opportunities refer to the potential positive effects arising from climate change for an entity. Efforts by government and the economy to mitigate and adapt to climate change can produce opportunities for the Group through new markets and/or increase value of the offering.

TRANSITION OPPORTUNITY:

Increased demand for electricity drives network growth opportunities

The electrification of homes, businesses, transport (EVs), and industry, alongside expanding digital services (data centres and AI), is generating substantial electricity demand growth. This creates significant opportunities for revenue growth and network expansion. The same trends create opportunities in adjacent sectors of the electricity market, e.g. energy storage.

TIME HORIZON

CONCENTRATION IN THE BUSINESS MODEL

Electricity distribution, adjacent sectors of the electricity market

DRIVERS	— Sustained electrification across residential, commercial, and industrial customer segments (including mobility/transport solutions) driven by government policies, regulation, climate commitments, and technology cost reductions. — Increasing frequency of extreme weather events driving higher cooling and heating electricity peak demand across the network.
POTENTIAL EFFECTS OF THE OPPORTUNITY	— Increased capital expenditure (**CAPEX**) to expand the electricity network to meet demand, and/or invest in new assets. — Increased utilisation and revenue of existing assets, and/or revenue from new assets. — Increased operational expenditure (**OPEX**) to support expanded network, and/or new assets.
BUSINESS MODEL ADAPTATION	— Proactive expansion and enhancement of the network including partnerships to deliver and integrate behind-the-meter generation and storage into the network. — Investment in digital infrastructure, grid stability technologies, and network resilience capabilities that support long-term asset value creation and operational efficiency. — Continued evaluation of investment opportunities in adjacent sectors of the electricity market.
ANTICIPATED FINANCIAL EFFECT	The **Group** anticipates material increase in revenue and capex in the next regulatory period (2026–2031) to support network services and enable the energy transition. Based on the draft decision from the regulator in September 2025, forecast revenue is anticipated to increase by 3 per cent (real, smoothed) from current regulatory period (2021–2026). To achieve the evolving obligations and customer expectations, the **Group** is forecasting a capex (excluding data centres connections) increase of 57 per cent from the current period. The price reset process by which the regulator approves the maximum allowable revenue it can recover from its customers is currently underway, with the regulator's final decision expected in April 2026.

TRANSITION OPPORTUNITY:

Emerging demand for renewable gas as an abatement pathway for natural gas

The **Group** is positioned to capitalise on emerging renewable gas demand, using existing competitive advantage in gas infrastructure to decarbonise hard-to-electrify sectors.

TIME HORIZON

CONCENTRATION IN THE BUSINESS MODEL

Gas distribution

DRIVERS

- Australia's legislated emissions reduction targets and supportive policy such as the Federal Safeguard Mechanism are driving demand for low-emission alternatives for gas usage.
- Hard-to-abate industries face challenges to electrification due to chemical, technical, or practical limitations like usage of natural gas as chemical feedstock or for combustion in high-heat processes. These industries are anticipated to require a gas abatement pathway.
- Regulatory changes in 2025 enable a market-based reporting mechanism for renewable gas under the National Greenhouse and Energy Reporting Scheme (**NGERS**) framework. This provides formal recognition of the decarbonisation benefit of biomethane and hydrogen delivered through gas infrastructure to reduce Scope 1 emissions.
- NSW Government has released its Renewable Fuel Strategy and expanded the Renewable Fuel Scheme to include biomethane, reinforcing its commitment to renewable gases and setting a long-term direction for the network's role in meeting climate targets.
- Federal level: Energy industry groups are working with the Federal Government on a national renewable gas policy and anticipate long-term support for developing a renewable gas market.

POTENTIAL EFFECTS OF THE OPPORTUNITY

- Increased CAPEX to adapt infrastructure to renewable gas injection and distribution.
- Increased revenue through renewable gas utilisation in the network, countering potential revenue loss from natural gas to sustain overall revenue.
- Increased OPEX to support renewable gas blending, quality management, and customer transition services.

BUSINESS MODEL ADAPTATION

- Leading research projects as part of Gas Infrastructure Research Australia to explore delivery of biomethane and renewable hydrogen through existing gas infrastructure.
- Engaging with producers and end-users to develop renewable gas value propositions for both generation and consumption.
- Investing in network infrastructure upgrades to deliver renewable gas to consumers.[4]
- Advocating for renewable gas policy frameworks and regulatory mechanisms. Progress on the advocacy efforts are tracked in *Section 3.5 Non-emissions targets.*

ANTICIPATED FINANCIAL EFFECT

The **Group** anticipates new connection CAPEX investment will be material in the short term (to 2031) to connect biomethane supply into the network.

In the final access arrangement decision, AER did not approve the capex requested by JGN ($79M, real 2024–25 dollars) for connecting biomethane supply given the external uncertainties in this developing industry.

However, the AER had noted that amount was likely to be efficient expenditure in connecting the biomethane projects identified by JGN in its proposal, and that its final decision does not prevent JGN from undertaking this capex in the current regulatory period (2025–2030) and seeking to either have the capex assessed as part of the opening capital base for the next regulatory period (2030–35), or by using the speculative capex account.

4 Projects include the Malabar wastewater biomethane plant and Western Sydney Hydrogen Hub.

TRANSITION OPPORTUNITY:

Gas as a fuel enabling Australia's orderly energy transition

Displacement of coal energy and increasing need to firm intermittent renewables creates significant demand for GPG and increased gas demand from some industrial processes which the **Group** is well positioned to meet.

TIME HORIZON

CONCENTRATION IN THE BUSINESS MODEL

Gas distribution and transmission assets

DRIVERS	— Coal-fired power station retirements and increasing penetration of intermittent renewables are driving demand for increased GPG short, medium and long-term. — AEMO forecasts an additional 15-gigawatt (**GW**) GPG capacity is needed by 2050 to support NEM stability during renewable droughts and increasing extreme weather events. — Hard-to-electrify industrial processes increasing demand for natural gas in the short to medium term and renewable gas in the medium to long term.
POTENTIAL EFFECTS OF THE OPPORTUNITY	— Increased CAPEX to connect new GPG projects and associated storage infrastructure to existing transmission pipelines. — Increased revenue from existing gas distribution and transmission pipelines to industrial and GPG customers. — Increased asset utilisation from higher throughput. — Potential transmission pipeline expansion beyond nameplate capacity to meet growing GPG and industrial demand from renewable firming and coal to gas transition respectively.
BUSINESS MODEL ADAPTATION	— Connect new supply sources to ensure sufficient natural gas available to meet forecast gas demand as coal fired power plants reach end of life. — Actively engage with GPG proponents and identify opportunities for connection, infrastructure expansion, and project participation. — Pipeline modelling to prepare for change in operation of transmission pipelines from stable to increasingly intermittent flows.
ANTICIPATED FINANCIAL EFFECT	The **Group** is actively assessing and progressing opportunities to support GPG which would result in short-term capital expenditure associated with connections, expansions and storage capability, and medium-to-long term revenue growth. The **Group** is assessing various opportunities and consequently does not have reasonable and supportable information to disclose quantified short, medium, or long-term capital and revenue impacts currently.

TRANSITION OPPORTUNITY:

Engineer, construct, connect and maintain energy infrastructure to enable a resilient energy transition

The energy sector's transformation towards renewable generation and electrification creates significant opportunities for the **Group** to deliver the energy infrastructure and services required to enable efficient, climate-resilient energy delivery.

TIME HORIZON

CONCENTRATION IN THE BUSINESS MODEL

Energy Infrastructure Services (Zinfra)

DRIVERS	— Energy transition is driving sustained demand growth for both electricity and gas sectors. — Growth of the **Group's** assets and investments and the assets of Zinfra's key clients due to energy transition and build out of energy infrastructure to meet Australia's future energy demands and decarbonisation targets. — High demand for skills and capability to support the delivery and ongoing maintenance of energy infrastructure.
POTENTIAL EFFECTS OF THE OPPORTUNITY	— Increased revenue due to delivering growth in **Group** assets, **Group** investments and energy infrastructure of key clients and provision of services to these growing asset bases. — Growth in capability and workforce.
BUSINESS MODEL ADAPTATION	— Retention and attainment of long-term contracts with key clients to provide climate resilience engineering, project management, construction, operations and maintenance services. — Development of supply chain network to unlock sustainability and economic advantages that support the transition increasing revenue and benefiting the **Group** and key client assets. — Development of capability, including energy storage and renewable energy integration, to diversify service offering and capture growth. — Integrate risks and opportunities identified through 'Workforce of the Future' program to attract, retain and develop key talent and the skills required.
ANTICIPATED FINANCIAL EFFECT	Zinfra's gross revenue is anticipated to increase by approximately 15 per cent in the short term (2030) due to growth in infrastructure development, delivery of long-term service contracts and energy transition opportunities. Due to the short-term nature of Zinfra's projects and programs of work, the **Group** has not quantified the anticipated financial effects in the medium and long term.

Climate-related transition risks

Transition risks are those that arise from efforts to transition the global economy to a net zero future. They include policy, legal, technological, market, and reputational risks. These risks may increase costs, reduce revenues, devalue assets, or introduce new technological disruption.

MARKET RISK:

The **Group** fails to adapt portfolio strategy to changing market conditions driven by electrification and energy transition

The **Group's** portfolio mix of gas and electricity distribution and gas transmission assets may not match market demand as Australia's energy system transitions, reducing utilisation, revenue and return on the **Group's** assets.

TIME HORIZON

CONCENTRATION IN THE BUSINESS MODEL

Gas and electricity distribution and gas transmission assets

DRIVERS

- Accelerating electrification across residential, commercial, and industrial segments, aided by policy and falling costs of electric technologies, decreases demand for natural gas and increases demand for electricity in the medium to long term.
- Inversely, growth in electric vehicle (**EV**) adoption increases demand for electricity and GPG to firm intermittent renewables in the short to long term.
- Industrial decarbonisation driving fuel switching away from coal to natural gas in the short and medium term, increasing demand for natural gas, then from natural gas to renewable gases in the long term, decreasing demand for natural gas and potentially increasing demand for renewable gas.
- Higher energy and labour costs may put pressure on industrial operations, leading to reduced domestic production or shifts in investment offshore.
- Rooftop photovoltaic systems (**PVs**) and batteries decentralising energy generation and reducing electricity grid utilisation.

UNTREATED RISK IMPACT

- Reduced revenue and asset utilisation across distribution and transmission assets in the long term.
- Opportunity cost from inability to meet demand for specific energy types.

BUSINESS MODEL ADAPTATION

- Connections to new supply, adapting the role of the pipelines to support changes in market dynamics and forecast GPG growth; long term support and recognition of industrial customers switching from coal to gas.
- Execution of the Jemena Gas Networks (**JGN**) strategy, including renewable gas initiatives, and optimisation of total network expenditure.
- Development of a decarbonised, digitally enabled, and decentralised electricity network to ensure long-term affordability and system reliability, while capturing growth from customer electrification and data centre integration.

ANTICIPATED FINANCIAL EFFECTS

- JGN is anticipated to see steady revenue growth over the short term supported by its large existing customer base in New South Wales. Compared to the previous regulatory period (2020–2025), the revenue allowance is anticipated to increase by 16 per cent (real, smoothed) for the current period (2025–2030) based on the final decision from the AER in May 2025.
- The Jemena Electricity Network (**JEN**) is projected to experience stronger growth, driven by electrification of residential, commercial, and industrial loads and population growth in growth corridors near JEN assets. This is anticipated to result in increased regulated revenues over short and medium term.
- Both JGN and JEN are expected to increase the number of large customers including direct connections, increasing network utilisation and profitability of assets under current assumptions.
- In the short and medium term, gas transmission revenues are anticipated to remain resilient due to existing contracts, new supply connections, and continued gas demand. Targeted capital investments that support growth areas such as connecting new supply and GPG as well as the adaptation of the assets via expansions and reversals are anticipated to drive utilisation through the to the 2050s.

Overall, the **Group** does not expect a material impact to its short- or medium-term financial performance based on the adaptation actions under current assumptions.

OPERATIONAL RISK:

Exposure to carbon pricing mechanisms constrains the **Group's** financial performance and increases operational costs

The **Group** faces increasing costs and regulatory compliance obligations as Australia's carbon pricing mechanisms evolve, particularly through the Federal Government's Safeguard Mechanism which sets declining emissions baselines for large emitters.

TIME HORIZON

CONCENTRATION IN THE BUSINESS MODEL

Group wide

DRIVERS

- The Safeguard Mechanism requires the **Group's** liable facilities (currently only JGN) to reduce emissions annually or procure Australian Carbon Credit Units (**ACCUs**) or Safeguard Mechanism Credits (**SMCs**) for excess emissions. The inherent likelihood of exceedances and the cost of procuring sufficient ACCUs/SMCs is anticipated to increase over time as recent reforms lower baselines under Clean Energy Regulator determinations through to 2030. The Safeguard threshold is also anticipated to be reduced, bringing additional facilities into scheme coverage.
- The Federal Government announcement of its national target to reduce emissions by 62–70 per cent below 2005 levels by 2035 and growing political pressure may introduce additional carbon pricing mechanisms or strengthen existing requirements, potentially increasing the likelihood and consequence of this risk.
- The **Group** has set a voluntary interim emissions reduction target outlined in *Section 3 Metrics and targets*, and this could result in offset purchases.

UNTREATED RISK IMPACT

- Direct operational costs through mandatory ACCUs/SMCs purchases where required to meet Safeguard Mechanism compliance obligations if emissions reduction targets are not achieved.
- Working capital impacts from timing differences between emissions reporting periods and ACCUs/SMCs procurement requirements.

BUSINESS MODEL ADAPTATION

- In the short, medium, and long term, delivering the **CTP** is anticipated to reduce the likelihood and consequence of carbon pricing risk.
- Deployment of leak detection technology across JGN is anticipated to enable better management and measurement of direct methane emissions, lowering exposure to carbon pricing mechanisms and supporting compliance with declining baselines.
- GHG emissions inventories are produced annually under the **NGERS** rules and submitted to the Clean Energy Regulator.
- The procurement of ACCUs/SMCs for any emissions over a facility's baseline is managed in accordance with the **Group's** Carbon Offset Management Framework.
- Recovery of ACCUs/SMCs procured by JGN under current regulatory framework.

ANTICIPATED FINANCIAL EFFECTS

The **Group** doesn't expect any material ACCUs or SMCs purchases in the short term based on the current progress and anticipated progress towards the 2030 emissions target by executing the **CTP**.

The **Group** anticipates it may need to purchase ACCUs or SMCs if planned emissions reduction initiatives underperform or if there are changes to the Safeguard Mechanism rules.

The **Group** anticipates material increases in ACCUs or SMCs price (based on existing CER forecasts) and purchase volumes in the long term, driven by increased demand. The **Group** recognises increased uncertainty surrounding policy and regulation beyond 10 years has the potential to create substantial variability in the market.

FINANCIAL RISK:

Evolving capital market expectations relating to climate change constrain the **Group's** access to capital

The **Group's** access to capital markets, including debt, equity investors and insurance, may become more challenging where environmental, social, or governance (**ESG**) pressures increase, or its energy transition timing does not meet the evolving expectations of these markets.

TIME HORIZON

CONCENTRATION IN THE BUSINESS MODEL

Group wide

DRIVERS	– Investor concern about transition risk for fossil fuel industries may reduce investor risk appetite and increase the cost of capital in the medium to long term. – Capital markets may reduce credit lines with companies they consider misaligned with their climate objectives or ESG expectations.
UNTREATED RISK IMPACT	– Increased cost of capital and insurance premiums, negatively impacting financial performance of the **Group's** portfolio. – Restricted access to funding may constrain largescale growth initiatives.
BUSINESS MODEL ADAPTATION	– Delivery of the **CTP** and promotion of progress aligned with investor objectives. – Enhanced climate scenario analysis and reporting to demonstrate resilience and creditworthiness. – Continuous engagement with key financial stakeholders to understand expectations, build trust and increase transparency.
ANTICIPATED FINANCIAL EFFECTS	The **Group** anticipates the ongoing delivery of its **CTP** and **Group** strategy will materially satisfy investor concerns regarding transition risk exposure noting that measurable progress is being made on the commitments stated in the **CTP** as detailed in *Section 3.3 Performance against climate-related targets*. The **Group** does not currently anticipate any material effect on the **Group's** credit ratings in the short, medium, or long term because of transition risk.

REPUTATIONAL RISK:

Failure to meet climate commitments and reporting obligations exposes the **Group** to reputational and compliance risks

The **Group** faces increasing expectations from stakeholders (including public, customers, community and environmental groups, regulators and financial institutions) to disclose climate-related financial effects and long-term climate commitments. These expectations may result in reputational damage and financial penalties if the **Group** fails to achieve climate commitments or if its disclosures or communications are found to be misleading or deceptive.

TIME HORIZON

CONCENTRATION IN THE BUSINESS MODEL

Group wide

DRIVERS	– Mandatory climate reporting requirements, including AASB S2, increases compliance obligations and establishes penalties for incomplete disclosures. – Heightened regulator and public awareness increase scrutiny on decarbonisation commitments with potential for commensurate increase in allegations of misleading and deceptive statements. – Stakeholders are increasingly conscious of transition risk and expect transparent reporting on energy companies' transition plans and resilience.
UNTREATED RISK IMPACT	– Litigation costs, penalties, and reputational damage for misleading and deceptive statements allegations. – Indirect reputational costs, including higher recruitment and employee retention costs, if the **Group** is perceived as vulnerable to the transition or failing to transition. – Direct regulatory penalties for breaches of AASB S2 reporting obligations. – Direct impact on project/program schedule and cost from community action.
BUSINESS MODEL ADAPTATION	– Full integration of climate reporting within the **Group's** reporting governance framework and external assurance to ensure completeness and accuracy of statements. – Regular stakeholder engagement to align commitments with expectations. – Proactive reporting of progress against the **Group's CTP** and resilient business strategy. – Workforce of the Future Strategy to retain and attract key talent.
ANTICIPATED FINANCIAL EFFECTS	The **Group** anticipates its controls to remain effective, with no material effect on the **Group's** litigation costs, reputation, or talent attraction and retention in the short and medium term.

POLICY AND REGULATORY RISK:

Changes to climate-focused policy or regulation negatively impact the **Group's** strategic outcomes and/or operations

Further policy and regulatory changes are likely for State/Territory and Federal governments to achieve their medium-term and long-term climate targets. Such policy may significantly impact the **Group's** existing gas transmission, gas distribution, and electricity networks and constrain pursuit of new business opportunities. The role of regulation in an uncertain world is anticipated to also evolve. Changes that increase regulation of gas pipelines and distribution networks result in increased compliance costs and could lead to decreased utilisation, premature devaluation, or stranding of assets.

TIME HORIZON

CONCENTRATION IN THE BUSINESS MODEL

Group wide including upstream and downstream gas and electricity

DRIVERS

- Strong Federal Government commitment to decarbonise can result in policy intervention that affects gas infrastructure settings, heightening uncertainty for long-term investment, approvals, connection costs, and operating constraints.
- Varied policy approaches across government jurisdictions increase uncertainty and compliance costs.
- Conflicting priorities between the ambition of achieving emissions reduction targets and the economic outcomes of low-cost energy for governments and regulators may inhibit the **Group's** ability to meet stakeholder expectations.
- Potential adverse New South Wales (**NSW**) government electrification targets that accelerate disconnections ahead of end of life.
- Increased government intervention in infrastructure management (e.g. suspension, decommissioning, abandonment requirements) and signalling of preference to alternative energy solutions could increase stranded asset risk.
- Decisions by the regulator and other regulatory changes that constrain the efficient recovery of investments.

UNTREATED RISK IMPACT

- Approval delays and costs impact project viability and profitability or limit growth.
- The **Group** may have to revisit its decarbonisation targets if conflicting priorities between multiple stakeholders reduces approved CAPEX for decarbonisation initiatives.
- Regulatory constraints limit utilisation or increase operating costs.
- Premature asset devaluation.
- Stranding of assets if reasonable opportunity to recover costs is limited or removed.

BUSINESS MODEL ADAPTATION

- Deliver the **CTP** to maintain competitive advantage under low-emission gas and electricity environment.
- An internal carbon price of $110/t$CO_2$-e is currently in place and applied to capital planning through to 2030.[5]
- Proactive collaboration with governments and regulators to support informed policy development and regulatory outcomes that achieve decarbonisation goals in a stable and just transition that benefits all stakeholders.
- Delivery of projects such as the Malabar Biomethane Injection Plant that demonstrate the feasibility of renewable gas enabling development of new supply projects (memorandums of understanding to inject 9PJs currently signed with multiple producers).
- Participation in public consultations and industry forums to share knowledge, shape policy and communicate the role of infrastructure in the energy system.

ANTICIPATED FINANCIAL EFFECT

The **Group** integrates policy and regulatory risk into its 10-year asset impairment analysis and does not anticipate a material financial effect in the short or medium term.

The **Group** recognises increased uncertainty surrounding policy and regulation beyond 10 years (long term), including proposed end-of-life requirements and decommissioning planning.

The **Group** considers this a material risk in the long term and continues to monitor these developments closely. Due to the uncertainty surrounding the long-term policy and regulatory landscape the climate-related financial impacts on the **Group's** cannot be reliably estimated at this time. The **Group** will continue to monitor relevant policy and regulatory developments that could reasonably be expected to impact this assessment.

5 Aligned with the Clean Energy Regulator's ACCU price cap

Climate related physical risks

Physical risks are those that arise from climate change, being event driven (acute risk) or from longer-term shifts in climatic patterns (chronic risk). Acute physical risks arise from weather-related events such as storms, floods, drought, or heatwaves, which are increasing in severity and frequency. Chronic physical risks arise from longer-term shifts in climatic patterns including changes in precipitation and temperature which could lead to sea level rise, reduced water availability, biodiversity loss, and changes in soil productivity. These risks could increase costs from damage and disruption and impact the value of assets.

OPERATIONAL RISK:

Extreme weather events damage critical infrastructure and disrupt operations

The **Group's** assets and engineering and construction operations face increasing risk of disruption and damage from acute physical climate hazards including bushfires, flooding, extreme heat, and high winds, alongside chronic changes in climate patterns.

A significant proportion of the **Group's** gas assets are underground in urban and regional areas of Australia. The **Group's** electricity network is aboveground in urban northwest Melbourne, Victoria. The energy infrastructure services business delivers a comprehensive range of engineering, project management, construction, operations, and maintenance services to various types of assets across Australia.

TIME HORIZON

CONCENTRATION IN THE BUSINESS MODEL

Group wide

DRIVERS

- Increased frequency and severity of extreme weather and chronic climate changes may increase damage and emergency response, maintenance frequency, and costs for both the **Group** and its suppliers.
- Failure to integrate climate projections into asset planning may expose the network to higher failure rates and outages.

UNTREATED RISK IMPACT

- Increased personnel safety risk, resource planning, scheduling and fatigue management risks in meeting emergency response and day-to-day operational requirements.
- Increased CAPEX for asset repair following extreme weather events.
- Increased OPEX for emergency responses, extended outages, and rapid repair.
- Reduced revenue from service interruptions, including those driven by upstream supplier outages, with long term impacts on customer reliability reputation and regulatory performance metrics resulting in financial penalties and compensations.
- Reduced insurer capacity due to adverse claims experience resulting in increased costs for insurance premiums, increase in deductibles, reduction in policy cover and increased policy exclusions.
- Increased costs for enhanced safety protocols and equipment for field personnel, and business continuity measures.

BUSINESS MODEL ADAPTATION

- The **Group's** safety, business continuity, and maintenance controls are anticipated to manage rising costs and can scale to minimise residual disruption and damage.
- Integration of climate modelling into capital planning, asset design, contracts, and business continuity to manage weather-related damage and maintenance.

ANTICIPATED FINANCIAL EFFECTS

In the short term, the **Group** does not anticipate a material increase in financial exposure from climate-related damage, maintenance, or continuity costs.

Under current climate projections the **Group** anticipates increased frequency and severity of extreme weather in the medium and long term, with potential impacts on damage and maintenance costs. The **Group** has integrated potential increases in damage costs into its resilience assessment through climate scenario analysis detailed in *Section 2.5 Building resilience through scenario analysis*. The **Group** conducted asset specific, quantitative physical climate related risk assessments but has not yet quantified the anticipated medium-term and long-term financial impact under the latest climate projections.

Risks and opportunities from the Group's partially owned interests

The **Group** has assessed the climate related risks and opportunities associated with ADP and UEDH and determined that they are not expected to have material impact on the **Group** as of 31 December 2025. Under current assumptions, no material impacts are anticipated on the dividend income and the carrying value of the **Group's** investments in ADP and UEDH. However, uncertainty surrounding the long-term climate transition may result in climate-related financial impacts on the **Group's** investments in ADP and UEDH in the future, which cannot be reliably estimated at this time. The **Group** will continue to monitor relevant market and policy developments that could reasonably be expected to impact this assessment with ADP and UEDH.

Current financial effects

The impacts of the **Group's** climate-related risks and opportunities on its financial position, financial performance and cash flows for the current reporting period, where applicable, have been reflected in the financial statements. However, as these impacts are not considered material for the current year, they have not been separately disclosed and are instead included within the relevant line items (e.g. expenses, revenue, property, plant and equipment, and cash flows). Where a direct link exists to a specific note in the financial statements, this has been specifically referenced throughout the report.

2.4. Climate Transition Plan

In addition to integrating climate-related risk and opportunity within the business and risk management strategies, the **Group** developed a **CTP** and published this in February 2025[6]. The **CTP** organises the **Group's** collective targets, actions, and resources into a centralised strategy that articulates how the **Group** anticipates maintaining performance by adapting to a net zero economy and the growing physical impacts of climate change. The below table summarises the key actions and targets of the **CTP**.

The **CTP** is designed around optionality, with defined decision gates aligned to regulatory resets, policy clarity and market demand. The targets in the **CTP** are further detailed in *Section 3 Metrics and targets*.

6 The CTP can be accessed at **https://www.jemena.com.au/media/climate-transition-plan-sets-pathway-to-net-zero/**

OUR CLIMATE AMBITIONS AND ACTIONS

To achieve a just transition for all our stakeholders

Engaging meaningfully with our customers, our communities and other stakeholders

We will continue engaging with the broad spectrum of customers, ranging from people with low energy literacy or experiencing disadvantage to major industrial energy users, to understand their needs as the energy sector transforms, and to achieve an inclusive transition.

Continuing to keep our people safe, both in terms of physical and psychological health

As a leading energy infrastructure and services company, we know there are risks involved in what we do. We continue pursuing excellence in safety because it is not only important for our people, but also because it's crucial to delivering energy to our customers and communities reliably and safely.

Our Health and Safety Strategy 2025-2028 is available at sustainability.jemena.com.au.

Transforming jobs in the energy industry

As the energy sector transforms, we will continue upskilling our people to respond to the needs of the industry.

To fully integrate climate considerations in our systems and processes

Continue to integrate climate considerations into business decision-making and planning

Our key business processes, including annual business planning, have featured climate as a decision factor since the establishment of our first emissions reduction plan in 2020.

This also includes our risk management processes, which take into account the economic, regulatory and physical risks of climate change.

Building climate resilience by integrating climate mitigation and adaptation planning into business planning process.

Details about our governance of climate-related decision-making are on pages 103–108.

Consider emissions alongside economic factors in our decision-making

Our project and asset augmentation approvals include emissions impact as one of the decision criteria and carbon pricing is integrated in our investment framework.

To play our role in servicing the energy transition and support Australia's decarbonisation commitments

Reducing our Scope 1 and Scope 2 emissions, and enabling our customers to reduce emissions

We have set a target to reduce our operational emissions by 2030 by 30 per cent, compared to our 2021–22 baseline. Our Scope 1 and 2 emissions for 2021–22 were 940.2 $ktCO_2$-e, meaning our target for 2029–30 is 658.0$ktCO_2$-e.

We will also continue to support our customers to meet their emissions reduction targets, helping to bring about decarbonisation of the wider Australian economy.

Transforming our operations and leveraging opportunities resulting from the energy transition

Our current asset optimisation plans aim to maintain energy reliability, safe operations and minimise energy costs for our customers. We recognise our responsibility to support the energy transition in Australia and we do this by reducing our own emissions and helping our customers to reduce theirs. We are also working to help establish an Australian renewable gas sector to enable natural gas substitutes and to support Australia towards achieving its net zero by 2050 goal.

Expanding the JEN to support increasing electrification

Engage with the regulator to achieve regulatory outcomes that support the network growth to achieve energy and climate transition outcomes. With the JEN investments, the **Group** expects to achieve a 55–45 (gas-electricity) portfolio by 2030.

Growing our energy services business to deliver infrastructure projects supporting the energy transition

We will explore opportunities for growth provided through the energy transition for our services business, which provides engineering, project management, construction, operations and maintenance services to the energy sector. This will include setting up our business and deepening our capabilities to deliver renewable energy projects.

Investing in pipeline transmission assets to support energy security and decarbonisation via gas powered generation

We will consider investments in gas transmission assets that support energy reliability or gas-powered electricity generation and assist the retirement of higher emitting industrial fuels for our customers. We will explore the potential for carbon capture and storage in the longer term.

Key assumptions and dependencies

The **Group** has developed the **CTP** on the same assumptions as the business strategy outlined in *Section 2.2 The Group's view of Australia's future energy system*. Full detail on these assumptions and the impact on the appropriateness and effectiveness of the plan is detailed in pages 12–14 of the **CTP**.

Monitoring progress

Since developing the Plan, the **Group** has integrated the targets and activities into each business unit. Progress is embedded in annual key performance indicators (KPIs), tracked monthly, and overseen by the ESG Steering Committee (SteerCo), which reports regularly to the Leadership Team and the Board of Directors. The SteerCo is the **Group's** management governance body comprised of 4 Executive General Managers (EGMs). The **Group's** climate targets and performance is disclosed under *Section 3.2 Metrics and targets*.

The **Group** is committed to continuous improvement and anticipates refining the **CTP** to incorporate new regulatory guidance and best practices as they emerge. The **Group** will continuously monitor the relevance of the current CTP and will refresh it if there are any significant changes that could affect it.

2.5. Building resilience through climate scenario analysis

Scenario analysis process

The **Group** conducted climate-related scenario analysis in 2025 to assess the resilience of its strategy against multiple plausible futures. The scenario analysis directly supported the identification and quantification of climate-related risks and opportunities. Modelling multiple futures provided forward-looking insights into demand, financial and operational outcomes, contributing to the **Group's** assessment of the resilience of its strategy and business model.

The quantitative modelling of transition risks and opportunities was undertaken cross-functionally and was supported by independent demand forecasts from ACIL Allen and Blunomy. Data from AEMO's 2024 ISP and 2025 Draft IASR were used to model demand forecasts applicable to the **Group's** assets. Following on from the demand modelling, financial modelling was conducted to quantify impacts of risks and opportunities arising from transition. The **Group** acknowledges that in August 2025, AEMO has finalised the 2025 IASR with changes to the Green Energy Exports scenario (now Accelerated Transition) and progressive change (now slow change). The **Group** anticipates incorporating the updated data in future scenario analyses and planning cycles.

The quantitative modelling of physical risk was split across the **Group's** electricity assets and gas assets to reflect their different exposure and vulnerability. Electricity assets were analysed as part of the *Climate Change Study for Victorian Electricity Distribution Businesses – Phase 1* by AECOM in combination with United Energy, CitiPower, Powercor Australia, and AusNet Services. Gas asset analysis was supported by independent physical hazard data from the Climate Council's Climate Risk Map of Australia. The climate models are built on outputs from Global Climate Models (**GCMs**) and Regional Climate Models (**RCMs**) from Coupled Model Intercomparison Project (**CMIP**) climate models. The analysis covered all major **Group** asset businesses, including JGN, JEN, and key gas transmission pipelines and processing facilities such as the Eastern Gas Pipeline (EGP), Queensland Gas Pipeline (QGP), Northern Gas Pipeline (NGP), and Darling Downs Pipeline (DDP). The outputs of this modelling were used to assess flow-on impact to Zinfra.

DESCRIPTION OF CLIMATE CHANGE SCENARIOS

For consistency and credibility, the **Group's** scenarios are aligned with nationally and internationally recognised energy transition and emissions pathways. AEMO transition scenarios incorporate both emissions reduction targets and other eligible government policies of that participating jurisdiction.[7] These 'included policies' are consistently applied across all transition scenarios to ensure alignment with jurisdictional commitments and reflective of the policy landscape at the time of scenario release. Each transition scenario incorporates different assumptions around electrification, energy efficiency, fuel switching, economic growth, global policy and coordination, and national decarbonisation targets, which are used to reflect different decarbonisation pathways. CMIP based physical scenarios use Representative Concentration Pathways (**RCPs**) for physical risk testing ensuring forecasts are comparable across the **Group's** peers. The **Group** selected these scenarios as they are consistent with Australia's geography, legislated emissions targets and capture credible market and policy uncertainties needed to assess strategic resilience. The analysis was conducted across short-term (2025–2030), medium-term (2030–2035), and long term (2035–2050) horizons.

7 See rule 5.22.3 of the National Electricity Rules.

DESCRIPTIONS OF CLIMATE CHANGE SCENARIOS

Temperature outcome by 2100	Scenario	Risk type
1.5°C Representative Concentration Pathway (RCP) 1.9 (aligned with s 296D(2B)(b) of the *Corporations Act 2001* requirement for 1.5°C)	**Green energy export scenario**[8] Reflects very strong decarbonisation activities domestically and globally, consistent with limiting temperature increase to less than 1.5°C. It envisions a rapid transformation of Australia's energy sector, driven by ambitious climate policy and technology uptake, including a strong use of electrification, green hydrogen, and biomethane. In this scenario, Australia becomes a green hydrogen (H2) export superpower, and there is intended to be minimal constraints (no supply chain / workforce / planning approvals) in developing renewable energy projects in the NEM and new infrastructure. High economic growth accelerates technological developments and leads a decline in the cost of new technologies. Consumers heavily invest in CER with the greatest uptake of rooftop solar and to batteries.	**Transition risk and opportunities**
1.8°C (RCP 2.6) (aligned with the Paris Agreement and the *Climate Change Act 2022* (Cth))	**Step change scenario** Features an energy transformation that supports Australia's contribution to limiting global temperature rise to well below 2°C compared to pre-industrial levels. It explores a future with strong decarbonisation ambition and rapid electrification across sectors. Consumers play a key role in the transition investment in electrification and CER such as rooftop solar and batteries. The scenario captures some of the ambition in developing hydrogen associated opportunities, reflecting the economic challenges of establishing this new industry, while trends in artificial intelligence and other data-heavy applications encourage continued growth in data centres in Australia. The electrification of commercial and large industrial segments results in new electricity demand.	**Transition risk and opportunities**
2.6°C (RCP 4.5) (aligned with s 296D(2B)(a) of the *Corporations Act 2001* requirement for well above 2°C)	**Progressive change scenario** Describes a world that aims to achieve Australia's current emissions reduction target of 43 per cent by 2030 and gradually achieve net zero emissions by 2050. This scenario features weaker global coordination and action, which is insufficient to limit temperature rise to less than 2°C. Consumers remain supportive of decarbonisation but have less capacity to invest in energy efficiency and electrification due to more challenging economic conditions. Energy intensive industries are at greater risk of closure due to the weak economic circumstances. Supply chains have more challenges relative to other scenarios. This more gradual transition scenario features slower economic growth and more limited policy coordination. Electrification occurs at a slower pace, and energy efficiency plays a more prominent role in reducing gas demand.	**Transition risk and opportunities**
2.6°C (RCP 4.5) (aligned with s 296D(2B)(a) of the *Corporations Act 2001* requirement for well above 2°C)	**Physical risk scenario** Under this scenario, physical climate risks are moderate but increasing over time as global warming progresses. Chronic risks such as sustained heat stress, gradual asset degradation continue to intensify, particularly in vulnerable regions. Acute risks including bushfires, serve storms, and flooding occur more frequently than today. The greater frequency and severity of extreme weather events lead to increased disruption across energy networks and supply chains.	**Physical risk**

The **Group** anticipates aligning subsequent analyses with any updates to these scenarios to maintain relevance. Full details on each scenario including the physical hazards and transition developments explore, the variables and the underlying inputs used, and key assumptions are captured in **Appendix A**.

8 The proposed Green Energy scenario, outlined in the 2025 Draft IASR, included two variants: Green Energy Industries (with a greater domestic focus on green energy and hydrogen opportunities) and Green Energy Exports. In the Final IASR, the Green Energy scenario was renamed Accelerated Transition and reflects the Green Energy Industries variant and the Progressive change was renamed as Slow change. Jemena's analysis prior to this name change referred to the Green Energy Exports scenario.

Climate change resilience

Taking into consideration the risks and opportunities explored in *Section 2.3 Relevant climate-related risks and opportunities*, the **Group** considers current climate-related risks to be well managed across operations and strategy.

Considering the range of potential futures, the **Group** has assessed its resilience to extreme but plausible future risks and opportunities arising from the three scenarios, and considers the **Group** has low to moderate vulnerability to plausible transition developments and moderate vulnerability to plausible physical hazards. The **Group** is well-positioned to adapt its strategy and business model to maintain financial performance in the short, medium, and long term.

The below tables summarise the **Group's** assessment of residual impact on revenue across the three scenarios for the two major gas businesses, and the electricity business.

RESIDUAL IMPACT ON FINANCIAL PERFORMANCE (REVENUE VS CY26 FORECAST)

			Short term 0–5 years	Medium term 5–10 years	Long term 10–25 years
Jemena gas assets	**Gas transmission**	1.5°C	Opportunity	Negligible	Low
		<2°C (1.8°C)	Negligible	Opportunity	Opportunity
		>2.5°C	Negligible	Negligible	Opportunity
	Gas distribution	1.5°C	Negligible	Negligible	Negligible
		<2°C (1.8°C)	Negligible	Negligible	Negligible
		>2.5°C	Negligible	Negligible	Negligible
Jemena electricity assets	**Electricity distribution**	1.5°C	Opportunity	Opportunity	Opportunity
		<2°C (1.8°C)	Opportunity	Opportunity	Opportunity
		>2.5°C	Opportunity	Opportunity	Opportunity
Energy infrastructure services	**Zinfra**	1.5°C	Opportunity	Opportunity	Opportunity
		<2°C (1.8°C)	Opportunity	Opportunity	Opportunity
		>2.5°C	Opportunity	Opportunity	Opportunity

Opportunity (> +10%) | Negligible (<10% to -5%) | Low (-5% to -15%) | Moderate (-15% to -25%) | High (-25%+)

The residual impact on asset value, representing the majority of the **Group's** financial position, was explored as part of the resilience assessment. Based on the financial performance in the scenarios above, the **Group** maintains that its financial position would remain resilient in the short, medium, and long term under all three scenarios. Full detail on the scenario analysis results for each scenario and each business unit is captured in **Appendix A**.

3. Metrics and targets

3.1. Greenhouse gas emissions targets

As outlined in its 2025 **CTP**, the **Group** is committed to delivering measurable GHG emissions reductions in line with Australia's net zero goals. As part of this commitment, the **Company** has set a target to reduce its net operational Scope 1 and 2 GHG emissions by 30 per cent by FY 2029–30, relative to a FY 2021–22 baseline. This target excludes ADP and UEDH.

Progress against the target is measured in carbon dioxide equivalent (CO_2-e) and is tracked using a Group-wide emissions reduction metric. The target covers all the **Company's** Scope 1 and 2 GHG emissions, being carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and sulphur hexafluoride (SF_6). GHG emissions intensity (tCO_2-e per terajoule of energy consumed) is also monitored internally as a contextual indicator of performance, however, is not part of the **Company's** formal target.

The target has been informed by the principles and guidance of the Science Based Targets initiative (SBTi). Noting that a SBTi pathway for the utilities sector was not available at the time the target was set, the **Company** considered the SBTi's Corporate Net-Zero Standard in setting its targets. The SBTi has indicated that a validated pathway will be included in the Power Sector Standard to be published no earlier than Q4 2026. The **Company** will consider this standard when it reviews its GHG emissions targets in 2027, if it has been released.

The emissions reduction target aligns with the objectives of the Paris Agreement and the *Climate Change Act 2022* (Cth) and has been set in line with the *GHG Protocol Corporate Accounting and Reporting Standard*. Internal modelling has adopted RCP 2.6 as the basis for emissions trajectory planning, consistent with limiting global warming to well below 2°C by the end of the century.

The **Company** has not yet established a Scope 3 emissions reduction target. The **Company** intends to develop a Scope 3 target by 2027.

Carbon credits

The **Company's** GHG emissions reduction target is a net target focused on achieving actual emissions reductions through avoidance, reduction, and replacement initiatives. Although the **Company's** emissions reduction pathway doesn't rely on the use of carbon credits, the **Company** may still be required to procure Clean Energy Regulator validated ACCUs and/or SMCs to ensure compliance with the Safeguard Mechanism. The **Company's** Carbon Offset Management Framework was affirmed by the Funding and Disclosure Committee in December 2025. It outlines the governance, eligibility criteria, and accountabilities for the **Group** relating to carbon offsets specific to mandatory Safeguard Mechanism requirements.

The **Company** currently does not have any contractual arrangements in place for the purchase of ACCUs/SMCs. This position could change in the future subject to market and policy conditions.

3.2. Greenhouse gas emissions performance

In CY25, the **Group's** total Scope 1 and Scope 2 absolute (gross) GHG emissions were 817,484 tCO_2-e, representing 596,943 tCO_2-e from Scope 1 emissions and 220,541 tCO_2-e from Scope 2 emissions. The table on page 99 summarises the **Group's** GHG emissions over the reporting period.

The **Group** has attained assurance for some of its GHG emissions as noted in the table. The **Group** is not obligated to report Scope 3 GHG emissions as this is the first year in which it has applied AASB S2. However, the **Group** has elected to disclose this information voluntarily in this Sustainability Report.

TABLE 1: THE GROUP'S GHG EMISSIONS[9]

	2025 (tCO_2-e)	2025 assurance
Gas transmission pipelines and processing facilities	287,314	✓
Gas distribution (JGN)	270,786	✓
Electricity distribution (JEN)	3,457	✓
Energy infrastructure services (Zinfra)	7,332	✓
Corporate	25	✓
ActewAGL Distribution Partnership (ADP)	28,031	✓
Total Scope 1 emissions	596,943	✓
Gas transmission pipelines and processing facilities	3,314	✓
Gas distribution (JGN)	791	✓
Electricity distribution (JEN)	144,657	✓
Energy infrastructure services (Zinfra)	1,067	✓
Corporate	502	✓
ActewAGL Distribution Partnership (ADP)	70,210	✓
Total Scope 2 emissions	220,541	✓
Total Scope 1 and 2 emissions	817,484	✓

TABLE 2: DISAGGREGATED SCOPE 1 AND SCOPE 2 GHG EMISSIONS[9]

	2025 (tCO_2-e)	2025 assurance
Scope 1		
The **Company**	568,912	✓
ActewAGL Distribution Partnership (ADP)	28,031	✓
Scope 2		
The **Company**	150,331	✓
ActewAGL Distribution Partnership (ADP)	70,210	✓
Total Scope 1 + 2 emissions (operational control basis)	817,484	✓

TABLE 3: SCOPE 3 EMISSIONS[9,10]

	2025 (tCO_2-e)	2025 assurance
Category 1: Purchased goods and services	71,730	✗
Category 2: Capital goods	32,656	✗
Category 3: Fuel and energy-related activities	33,461	✗
Category 4: Upstream transportation and distribution	200	✗
Category 5: Waste generated in operations	7,816	✗
Category 6: Business travel	2,620	✗
Category 7: Employee commuting	4,987	✗
Category 11: Use of sold products	0	✗
Category 15: Investments[11]	88,540	✗
Total Scope 3 emissions	242,010	✗

✓ Reasonable assurance ✓ Limited assurance ✗ No assurance

9 Amounts are rounded to the nearest tCO_2-e and totals may not sum precisely. GHG emissions were calculated based on operational control basis.

10 The **Group** calculates its Scope 3 emissions voluntarily in accordance with the GHG Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3). The **Group** applies the year 1 transition relief available under paragraph C4(b) of AASB S2, whereby Scope 3 emissions are not yet required to be calculated and reported in accordance with the AASB S2 framework.

11 This includes emissions from United Energy Distribution Holdings (UEDH). UEDH does not fall within the Company's operational control boundary for Scope 1 and 2 GHG emissions.

3.3. Performance against climate-related targets

In 2025 the **Company** achieved a 23.5 per cent reduction in absolute Scope 1 and 2 emissions, equating to a reduction of 220,941tCO_2-e compared to the FY2021–22 baseline. This performance is in line the **Company's** overall interim trajectory towards its FY2029–30 target.

The **Company's** performance is a result of its active intervention initiatives like leak detection in gas distribution network, operational improvements of gas transmission assets and electricity network assets. External factors also influence emissions performance like – energy demand (throughput changes), regulatory updates, and methodological adjustments.

The **Company's** historical trends and current forecasts indicate it is on track to achieve its 2030 target. Continued focus will be placed on decarbonisation activities and energy transition initiatives to maintain performance.

3.4. Other cross-industry metrics

Assets and business activities exposed to climate-related risk and opportunity

With reference to the climate-related risks and opportunities identified and assessed in *Section 2.3 Relevant climate-related risks and opportunities*, the **Group** has determined the amount and percentage of assets or business activities vulnerable to climate-related risks and opportunities. The **Group** has defined vulnerability to mean that a portion of revenue could be at risk, resulting in reduced financial performance for its stakeholders.

VULNERABILITY TO CLIMATE-RELATED RISK

	Short- and medium-term exposure (0–10 years)	Long-term exposure (10–25 years)
Amount and percentage of assets vulnerable to climate-related transition risks	**0% ($0)** In short and medium term, our assets are contracted via commercial agreements and regulatory cycles providing certainty of financial position and financial performance.	**Revenue from JGN for year ending 31 December 2025: 28.2% ($668.5M) of the Group.** The **Group's** gas distribution network (JGN) is vulnerable to transition risk if customer gas demand changes due to electrification and other market factors. Consequently, a portion of this revenue is at risk in the long term.
Amount and percentage of assets vulnerable to climate-related physical risks	**100% ($8.602B)** All the **Group's** assets are exposed to acute and chronic weather events. However, the **Group** assesses this exposure to be low as most the **Group's** gas assets are underground, and the majority of electricity assets are in urban areas with lower bushfire, flooding and extreme weather exposure risk. The **Group** has adequate critical incident procedures to maintain operational resilience, and consequently while all assets are vulnerable, their residual risk from climate-related physical risk is moderate.	

ALIGNMENT TO CLIMATE-RELATED OPPORTUNITIES

	Short- and medium-term exposure (0–10 years)	Long-term exposure (10–25 years)
Amount and percentage of assets aligned with climate-related transition opportunities	**100% ($8.602B)** All revenue-generating assets are aligned with climate-related opportunities in the short and medium term. Gas distribution and transmission are anticipated to benefit from increased natural and renewable gas use to replace coal and firm renewables. Electricity distribution is anticipated to benefit from increased energy demand and electrification.	**100% ($8.602B)** All assets are aligned with climate-related opportunities in the long term. While gas distribution and transmission are vulnerable to climate-related risks, it is anticipated that they remain aligned with climate-related opportunities to replace the remaining use of coal and for grid firming in the long term. Electricity distribution is anticipated to continue to benefit from increased energy demand and electrification

Capital expenditure and carbon pricing

With reference to the business adaptions identified and assessed in *Section 2.3 Relevant climate-related risks and opportunities*, the **Company** applies an internal carbon price of $110/tCO$_2$e and has spent $26.41M in CY25 in response to climate-related risks and opportunities. The **Company** has chosen not to disclose a quantitative figure for medium- or long-term CAPEX as this remains too dependent on external factors with high uncertainty.

Short-term target	$185M
CY25 actual spend	$26.41M

3.5. Non-emissions targets

The **Company's** quantitative outcome target is supported by the following qualitative activity targets:

TABLE 4: 2025 CLIMATE TRANSITION PLAN TARGETS

Objective	Action/targets	Metric	Base period	Period	Scope	Progress
Adaptation	Engage with stakeholders to support a just transition. Conduct a Double Materiality Assessment (DMA) to understand stakeholder priorities and financial, impact materiality.	Total participants invited: 159 Participation rate: 60%	2025	2025	Entire **Group**	The DMA is complete, and findings are anticipated to be integrated into the 2026 sustainability strategy.
	Invest in electricity assets to leverage electrification growth in the JEN.	Increased JEN investments to achieve 55–45 gas-electricity portfolio by 2030	2024	2025–2030	Entire **Group**	Ongoing growth in regulated electricity distribution networks (JEN, UED, ADP). Awaiting final decision for JEN price reset by AER in April 2026.
Mitigation	Accelerate the establishment of a renewable gas sector.	4PJ commissioned and injecting into JGN, plus a further 3PJ having achieved FID	2025	2025–2030	JGN	The **Group** contributed to the following advocacy: — Market based reporting mechanism for renewable gas (biomethane and hydrogen) included under the NGERS from 1 July 2025. — NSW updated its Renewable Fuels Strategy by expanding its Renewable Fuel Scheme to include biomethane and setting a target of 15 percent renewable industrial gas use by 2035. — Renewable gas development recognised as one of the five key actions to get to net zero by 2050 in the Federal Governments Net Zero Electricity and Energy Sector Plan. — Several memorandums of understanding signed to support the development of renewable gas projects (9PJs).
	Support customers to reduce emissions.	Customer emissions reduction initiatives	2025	Ongoing	Entire **Group**	JGN: Large industrial customers enquiring with biomethane production facilities to sign off take agreements. JEN: Support increase of rooftop solar penetration from 16% (2023) to 29% (2031).

Objective	Action/targets	Metric	Base period	Period	Scope	Progress
Adaptation and mitigation	Invest in gas transmission infrastructure to enable fuel switching (coal to natural gas), energy security and explore carbon capture and storage (CCS).	Execution of Gas transmission strategy	2024	Ongoing	Gas transmission	Connection of Port Kembla lateral complete and construction on EGP bi-directional project in progress. NGP reversal project complete. Progressing several new supply connections and GPG opportunities. Continuing to monitor CCS landscape.
	Expand electricity distribution network (JEN) to support electrification.	Growth in JEN demand from 4.56 TWhr to 8.59 TWhr	2026	2026–2031	JEN	Price reset process ongoing with AER. Final decision due in April 2026.

These metrics have been internally developed and are not prescribed under the ASRS or supporting guidance. The metrics reflect the **Group's** specific operational context and have been developed to provide a logical, meaningful basis for tracking progress against climate-related goals and transition activities. They are subject to change based on changes to market and policy conditions.

3.6. Methodology for calculating greenhouse gas emissions

The **Group** follows the *National Greenhouse and Energy Reporting Measurement Determination 2008* (NGER Determination) methods for the calculation of its GHG emissions and consequently applies jurisdiction-specific relief articulated in AASB S2 to not measure using the GHG Protocol. All Scope 1 emissions sources are reported using Method 1 unless otherwise noted. An exception applies to GHG emissions associated with JGN, which are now calculated using Method 3 following a change in FY24. The **Group** calculates its Scope 2 emissions using a location-based approach. Emissions are calculated using Method A1 under *Section 7.2* of the NGER Determination.

The **Group** calculates its Scope 3 emissions voluntarily in accordance with the *Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3)*.

Refer to Appendix B for the full GHG emissions calculation methodology including boundary, methodology, and data collection.

3.7. Process for setting, reviewing, and monitoring climate-related targets

The **Company's** GHG emissions reduction target and underlying methodology have been developed with reference to the SBTi guidance and principles, which are grounded in climate science and widely adopted across industry (see *Section 3.1 Greenhouse gas emissions targets*). The target has not been formally validated by a third-party. The **Group's** Steerco is responsible for annual reviews of the **Company's** climate-related targets.

Progress towards the **Company's** GHG emissions reduction target is monitored using absolute emissions measured in tonnes CO_2 equivalent (tCO_2-e). The **Company** has established KPIs to localise this metric to business units and roles to support ongoing performance management. Performance against these KPIs is factored into executive remuneration as detailed in *Section 4.4 Executive remuneration*.

No revisions have been made to the **Company's** GHG emissions reduction target during the current reporting period. Any future changes to the target or underlying methodology will be disclosed and explained in updates to the **CTP** and subsequent Sustainability Reports.

4. Governance

4.1. Climate-related governance structure

The below diagram illustrates the **Group's** climate-related governance structure, outlining the relationship between its Board of Directors, executive committees, and supporting governance levels.

SGSPAA BOARD OF DIRECTORS

RISK, HEALTH, SAFETY AND ENVIRONMENT COMMITTEE (RHSEC)

AUDIT AND COMPLIANCE COMMITTEE (ACC)

NOMINATION AND COMPENSATION COMMITTEE (NCC)

FUNDING AND DISCLOSURE COMMITTEE (FDC)

LEADERSHIP TEAM *(Meets monthly)*

Develops **Group** strategy, business plans, and budget for consideration by the board of directors, and drives their implementation – including the **Group's** ESG Plan and emissions reduction initiatives.

ESG STEERING COMMITTEE

(Meets as required, at minimum every two months)

- Leaders across the business responsible for managing the business sustainably.
- Responsible for implementation of the Climate Transition Plan Provides guidance and advice in relation to ESG Plan, including emissions reduction.
- Chaired by Executive General Manager, People, Safety and Governance.

EXECUTIVE RISK MANAGEMENT COMMITTEE

(Meets quarterly)

- Supports the Managing Director and RHSEC in executing their responsibilities.
- Chaired by Executive General Manager, People, Safety and Governance.

MANDATORY CLIMATE DISCLOSURE WORKING GROUP

- Senior subject matter experts coordinating readiness for mandatory climate-related financial disclosures report in 2026.

EMISSIONS REDUCTION WORKING GROUP

(Meets quarterly)

- Senior subject matter experts across the **Group** providing input to the Emissions Reduction Plan.
- Supported by Emissions Reduction Working **Group**s focused on gas transmission and distribution assets.

ENVIRONMENT AND SUSTAINABILITY TEAM

- Leads development of **Group** CTP, Emissions Reduction Plan with subject matter experts across the business.
- Responsible for emissions monitoring and tracking of CTP implementation, including engaging external auditors to undertake reasonable assurance of the **Group's** emissions reports.

GROUP STRATEGY TEAM

- Leads development of **Group** strategic objectives.
- Undertakes climate risk and opportunities analysis.

RISK MANAGEMENT TEAM

- Responsible for delivering the **Group's** annual Risk Management Plan and maintaining the **Group's** Risk Register.
- Implementing annual Risk Management Plans, including maturing the **Group's** climate-related risk responses.

INTERNAL AUDIT TEAM

- Responsible for providing independent, objective assurance and advisory services designed to add value and improve the **Group's** operations.
- Applies a systematic and disciplined approach to evaluate and enhance the effectiveness of governance, risk management, and control processes.

FINANCE, LEGAL SERVICES, HUMAN RESOURCES, HEALTH AND SAFETY, BUSINESS RESILIENCE, PROPERTY AND PROCUREMENT TEAMS are responsible for developing relevant Group-wide plans, strategies, and processes in alignment with the **Group** ESG Plan, and working with teams across the organisation to implement and monitor. Responsible for risk management in their areas of responsibility.

JEMENA NETWORKS, GAS MARKETS, ENERGY INFRASTRUCTURE PROJECTS (ZINFRA) are responsible for implementing Group-wide ESG initiatives and relevant policies, including identifying and managing risk, and identifying and actioning emissions reduction opportunities.

4.2. Responsibilities for climate governance

The Board of Directors is the highest authority for climate governance, holding ultimate accountability for aligning strategic objectives – including climate response goals – with the **Group's** broader vision and regulatory obligations. It approves the climate strategy and high-level targets, monitors progress, and ensures the necessary expertise is in place to oversee material climate impacts, risks, and opportunities (**IROs**).

The Board consists of eight members (including the managing director) who are appointed by the **Company's** two shareholders. The majority of the directors are Australian residents, 25 per cent of the directors are independent in accordance with Australian Foreign Review Board conditions. Board meeting attendance was 93 per cent for 2025, with all quorum and independent director attendance fulfilled.

The **Group's** Board members bring deep and diverse competencies that reinforce their ability to oversee climate effectively. Members have:

- extensive leadership in energy and infrastructure gained through senior executive international and domestic experience, including development of and operationalisation of sustainability and climate initiatives and strategies;
- strong governance experience through directorships and chair roles in listed companies, government advisory boards, and international organisations. Members are also leading industry advocates in dialogue on energy transition; and
- global financial acumen, including direct involvement in sustainable financing.

The Board oversees the development of the **Group's** strategic climate priorities and analysis of emerging topics, ensuring that the **Group's** climate agenda remains aligned with developments in the business environment. Climate IRO considerations are embedded into governance, strategy, and risk management, ensuring that material issues are addressed comprehensively.

The governance structure supports transparency, informed decision-making, and alignment with the **Group's** corporate and climate goals and is fundamental to the **Group's** long-term success and resilience. The division of oversight across Board committees ensures that expertise of members is applied appropriately, distributes workload efficiently while maintaining rigorous governance standards. Each Committee is assessed as being collectively equipped with the necessary expertise to support the Committee mandates in relation to climate considerations. Each committee reports quarterly to the Board on its meeting and activities.

The Board and Committee receive updates on strategic priorities and material IROs (refer to *Section 2.3 Relevant climate-related risks and opportunities*), engages in deep dives on key topics identified through the **Group's** risk and materiality assessment, and reviews and approves the climate strategy and **CTP** to ensure alignment with business goals and external requirements. Implementation is delegated to the Leadership Team, while the Board maintains oversight through regular monitoring and committee engagement. Members receive ongoing training and are informed of developments in ESG matters, risk perspectives and associated climate related regulatory and Australian Standards changes and updates through its Board and Board sub-committee forums. Due to the complexity of the **Group's** business, each incoming director receives a fulsome induction program, and the Board receives regular briefings and education sessions. The frequency and types of updates are outlined on page 105.

GOVERNANCE BODY:

Board

MEETINGS IN 2025
6

GOVERNING DOCUMENT
Board Charter

CLIMATE RESPONSIBILITIES	– Monitoring and optimising the **Group's** financial and non-financial performance – Decision-making on material climate-related matters including emissions reduction targets and approval of the **CTP** – Advising and approving strategies to establish the **Group's** long-term viability and sustainability – Maintaining oversight of risks facing the **Group**, including climate-related risks (physical, reputational and transition) – Annual Review of Board Charter and Board Committee Terms of Reference for alignment to climate oversight and disclosure requirements
FREQUENCY OF UPDATES	– Annual Plan and Policy Reviews – Annual Strategy session – Annual business and financial plan – Quarterly updates from Committee – Quarterly updates on performance, targets, trends, and risk updates – Monthly business performance review
CLIMATE CAPABILITIES HELD BY MEMBERS	Experience in and knowledge of: – Identification and evaluation of physical, transition, and reputational climate risks and their financial implications – Governance, policy, and climate related legal, accounting, and financial frameworks – Local and international energy industry trends and competitiveness – Sustainable sourcing and energy security – Financial and non-financial risk analysis and strategy, in highly regulated industries – Stakeholder, industry, government and regulator collaboration and liaison – Reporting management of IROs and compliance in informing broader strategy development
SPECIALIST BRIEFINGS, SKILLS, AND INSIGHT SESSIONS 2025	– Energy Transition (SGSPAA director lead international industry forum) – Climate disclosures regulatory briefing conducted by the company's auditor – Safety and Asset Management professional development day – including climate related IROs – Infrastructure site visits – including insights on related climate IROs. – Electrification impacts and energy resilience – System process resilience – focus of cyber security – Group Strategy – including climate related IROs (refer to *Section 3 Metrics and targets*)

GOVERNANCE BODY:

RHSEC

MEETINGS IN 2025
4

GOVERNING DOCUMENT
Terms of Reference

CLIMATE RESPONSIBILITIES	– Review environmental and strategic risks – includes climate-related risks and monitoring physical, transitional, and reputational risk events – Reviews the effectiveness of risk mitigation strategies and the resourcing of the risk management function, including for addressing climate-related risks where applicable – Assesses emerging environmental and climate related risks – Oversight responsibilities concerning risk management and related frameworks, controls and processes relating to ESG factors as drivers of existing risk, risk appetite, and materiality – Review of insurance requirements
FREQUENCY OF UPDATES	Quarterly
CLIMATE CAPABILITIES HELD BY MEMBERS	Experience in and knowledge of: – Identification and prioritising of climate risks relevant to the **Group** – Overseeing the integration of climate risk management with the **Group's** overall risk management and assurance processes – Understanding of physical, transition, and reputational climate risks and financial implications – Emerging policy and regulatory developments, including in relation to disclosures and ESG representations on a range of topics – Methods of financial and non-financial risk analysis and strategy
SPECIALIST BRIEFINGS, SKILLS, AND INSIGHT SESSIONS 2025	*Committee members included in Board specialist briefings

GOVERNANCE BODY:

ACC

MEETINGS IN 2025
4

GOVERNING DOCUMENT
Terms of Reference

CLIMATE RESPONSIBILITIES	– Sustainability governance, disclosures and compliance – Environmental compliance oversight – Monitoring the **Group's** financial and sustainability reporting processes and reviewing the annual consolidated sustainability reporting
FREQUENCY OF UPDATES	Quarterly
CLIMATE CAPABILITIES HELD BY MEMBERS	Experience in and knowledge of: – Emerging policy and regulatory developments, including in relation to disclosures and climate representations on a range of topics – Regulatory requirements and international trends in climate disclosure reporting – The relationship between climate disclosures and financial risks and opportunities – Climate action strategy embedment
SPECIALIST BRIEFINGS, SKILLS, AND INSIGHT SESSIONS 2025	*Committee members included in Board specialist briefings

GOVERNANCE BODY:

NCC

MEETINGS IN 2025
4

GOVERNING DOCUMENT
Terms of Reference

CLIMATE RESPONSIBILITIES	– Responsible for preparing and presenting proposals to the Board on remuneration matters, including integration of ESG KPIs and strategic priorities for diversity and inclusion into the remuneration programmes – Endorses the **Group's** climate-related performance measures and reviewing annual performance against these targets – Ensures that climate-related KPIs are embedded within the executive remuneration framework, aligning performance outcomes with sustainability priorities
FREQUENCY OF UPDATES	Quarterly Annual
CLIMATE CAPABILITIES HELD BY MEMBERS	Experience in and knowledge of: – Material climate targets, metrics, and outcomes – Integration of climate risk management into enterprise targets
SPECIALIST BRIEFINGS, SKILLS, AND INSIGHT SESSIONS 2025	*Committee members included in Board specialist briefings

GOVERNANCE BODY:

FDC

MEETINGS IN 2025
4

GOVERNING DOCUMENT
Terms of Reference

CLIMATE RESPONSIBILITIES	– Managing the **Group's** Funding strategy, which includes the Green Finance Framework – Oversees the **Group's** carbon offsets management framework and approves the purchase of any mandated ACCUs/SMCs where required – Oversees the purchase of financial instruments, including the potential purchase of large generation certificates where necessary – Assists the Board in managing the continuous disclosure obligations, including mandatory climate-related disclosures
FREQUENCY OF UPDATES	– Quarterly review of funding markets – Annual review of Frameworks – Market disclosures as required
CLIMATE CAPABILITIES HELD BY MEMBERS	Experience in and knowledge of: – Sustainable finance standards, taxonomies, and regulation – Key sustainable finance and investment concepts and products, including assessing impact of products on customers and other stakeholder groups – Barriers and opportunities to integrating sustainability considerations in financial assessments – Carbon pricing frameworks
SPECIALIST BRIEFINGS, SKILLS, AND INSIGHT SESSIONS 2025	*Committee members included in Board specialist briefings

4.3. Leadership team responsibilities, oversight, controls, and procedures

The SteerCo coordinates the **Group's** Sustainability strategy and ensures that understanding and responding to climate change is considered a core strategic priority. The Committee oversees identification and management of relevant climate-related risks and opportunities, including performance management and regular review of the **CTP**. Its membership includes a cross-section of executive and senior leaders, including the EGM – People, Safety and Governance (Chair), the Chief Financial Officer, the EGM – Jemena Networks, and the EGM – Gas Markets. Senior leaders such as the General Manager (GM) – Environment and Sustainability (Secretary) and GM – Strategy and Investments also participate in the Committee. The Committee meets at least four times a year, with documented meetings confirming more frequent engagement where climate has featured prominently. Oversight of climate topics is led by the Chair in line with the Committee's strategic remit.

Climate-related risks and opportunities are fully integrated into the risk profile of each business unit and owned by the respective EGMs. These leaders are accountable for identification, assessment, and day-to-day management of climate-related risk and opportunity for their business unit, with centralised expert support from the Group Environment and Sustainability team. The policies and manuals that make up the Risk Management Framework (**RMF**), including climate-specific guidance, are detailed in *Section 5 Risk management*.

The Leadership Team's oversight is supported by structured controls and procedures that are integrated into the **Group's** broader risk and performance management systems. These include regular monitoring of climate-related performance, assessment of implementation progress against strategy, and processes to identify emerging risks, opportunities, or areas for improvement. Further information on management controls is detailed in *[5] Risk Management*.

4.4. Executive remuneration

Climate-related considerations are embedded in the **Group's** executive remuneration framework to ensure alignment between strategic objectives and leadership accountability. The Nomination and Compensation Committee meets quarterly and reviews and endorses climate-related KPIs, as well as reviewing annual performance outcomes against the KPIs.

To support delivery of the **Group's** climate strategy, emissions reduction and other climate initiatives are a part of Group KPIs which are integrated into the Short-Term Incentive Plan (STIP) payments for executives.

5. Risk management

5.1. Risk and opportunity management processes

Climate-related risks and opportunities are identified, assessed, prioritised, and monitored in accordance with the Group Risk Policy, Group Risk Appetite Statement, *Group Risk Management Manual*, and the *Procedure for Managing Climate Related Risks and Opportunities*. These documents collectively define the **Group's** RMF, which governs all applicable categories of enterprise risk, including climate-related risks. The *Group Risk Management Manual*, aligned to AS ISO 31000:2018, outlines the **Group's** risk management process, principles, and practices. It serves as a guide for systematically identifying and managing risks across the **Group**.

The **Group's** risk management process comprises six key steps, covering risk scoping, risk assessment (identification, analysis, evaluation), treatment, communication, monitoring, and reporting. These steps are applied to climate-related risks and opportunities through the *Procedure for Managing Climate Related Risks and Opportunities*, ensuring that climate-related risk and opportunity is embedded into risk management practice. Climate-related risk and opportunity assessment is supported by additional inputs including:

1. Climate scenario analysis, which helps identify emerging risks and assess potential impacts across short, medium, and long-term horizons. Scenario analysis enables consistent assumptions across the business and informs evaluation of risks to strategy, major projects, and assets. The data inputs of scenario analysis are detailed in *Section 2.5 Building resilience through climate scenario analysis*, and
2. Science-based climate projections, including the National Climate Risk Assessment, the Commonwealth Scientific and Industrial Research Organisation (CSIRO) State of the Climate Reports, the Intergovernmental Panel on Climate Change (IPCC) Assessment Reports, and the Climate Council Climate Risk Map of Australia. These reports and datasets support the **Group's** assessment of climate physical risks that are reasonably expected to occur in the short, medium, and long term by providing a credible view of how climate variables are anticipated to evolve.

The **Group** applies a combination of qualitative and quantitative criteria in assessing climate-related risks and opportunities, considering both their likelihood and their potential impacts on strategic objectives, financial performance, safety, operational continuity, regulatory compliance, and reputation. A risk consequence and likelihood matrix is utilised to guide the prioritisation of risk treatment.

Climate-related risks and opportunities are recorded in a central risk register, which is managed within the **Group's** risk and compliance management system. These risks and opportunities are periodically reviewed and reassessed when significant changes occur, including regulatory shifts or operational developments.

5.2. Monitoring climate-related risks

The **Group** monitors and reviews climate-related risks to assess the performance of climate-related controls, inform risk treatments, and identify emerging risks. The outcomes of this process are reported to relevant stakeholders to support risk dialogue and decision-making. The RMF supports defined accountabilities, authorities, and responsibilities, along with an escalation process to support monitoring and management of climate-related risks. The escalation process provides a mechanism to address any conflicting objectives, including those between climate-related and non-climate-related risks and opportunities, should they arise.

Climate-related risks and opportunities are monitored through the **Group's** risk and compliance management system and processes. Each risk is assigned to designated management personnel with defined review dates and monitoring schedules. Incidents are managed in accordance with the *Managing Incidents Procedure*.

The Board of Directors are ultimately accountable for risk management including climate-related risk. The Board of Directors is supported by the RHSEC which provides additional oversight of climate-related risks within the broader context of the **Group's** risk profile. The Committee meets quarterly and is responsible for reviewing the effectiveness of risk mitigation strategies and the resourcing of the risk management function, including climate-related risks where applicable (refer to *Section 4 Governance*).

The SteerCo is the Committee responsible for monitoring of strategies to manage ESG risks and consider climate-related opportunities. The SteerCo reports regularly to the RHSEC and escalates relevant risk matters to the Executive Risk Management Committee where risks have the potential to exceed appetite or where there are conflicts or trade-offs with non-climate-related risk and opportunity.

5.3. Risk governance

The **Group** adopts the Three Lines of Accountability (3LoA) model, which is embedded in its RMF and applies equally to climate-related risk as to all other risk types.

Three lines of approach	Accountabilities
First Line of Accountability (1LoA): Business operations	Management, including all employees, is accountable for identifying, assessing, monitoring, managing, and reporting risks as part of day-to-day operations, with Line 1 Business Risk Teams providing support.
Second Line of Accountability (2LoA): Risk oversight and support functions	Second line roles enabled by the Risk team, provide complementary expertise, oversight, and challenge to support effective risk management. 2LoA is accountable for designing, maintaining, and monitoring risk management practices whilst also advising and supporting the business in managing both financial and non-financial risks. In doing so, it enables the 1LoA (the business) to foster and embed a strong risk culture and implement strategies that deliver sound risk outcomes.
Third Line of Accountability (3LoA): Internal audit	The primary role of Internal Audit is to provide independent, risk-based, objective assurance, advice and insights on the adequacy and effectiveness of governance, risk management, and internal control. Through a systematic and disciplined approach, Internal Audit supports the organisation in achieving its strategic objectives by delivering insights that promote accountability and continuous improvement.

Further details on the **Group's** overall governance for risk management can be found in *Section 4 Governance*.

5.4. Integration of opportunities into strategy

The **Group** integrates climate-related opportunities within its annual Group Strategy Review and Business Plan process. Climate inputs to Group Strategy are provided via:

- climate scenario analysis and resilience assessments;
- impact of climate-related risks and opportunities;
- business unit specific initiatives, commitments, and continuous improvement;
- shareholder input and feedback;
- external policy/regulatory drivers (including the Safeguard Mechanism) and customer-driven opportunities (including CER); and
- **CTP** and climate-related financial disclosures.

These insights are used during Group Strategy Review and Business Plan development which includes broad engagement with business units, finance, senior leadership, and the Board of Directors. The final Business Plan, Budget, and Corporate KPIs, including any climate-related elements, are approved annually by the Board of Directors and shareholders.

6. Appendix A

6.1. Hazards and developments explored in the climate scenario analysis

The scenarios explored the impact of the following climate variables deemed most relevant to the **Group's** primary business units.

Transition developments

- Electrification
- Energy efficiency adoption and regulation
- Fuel switching and impacts on domestic and international demand, including shifts from coal to natural gas, and natural gas to biomethane and hydrogen [Green energy export scenario only]
- Population changes and associated energy demand
- Reduced cost of new technologies
- Grid decentralisation from adoption of rooftop solar and home batteries

Physical hazards

- Extreme rainfall
- Bushfire
- Extreme heat
- Average temperature
- Extreme wind
- Coastal erosion
- Coastal flooding
- Lightning
- Drought
- Humidity
- Increased solar radiation
- Riverine flooding
- Surface water flooding
- Tropical cyclone wind

6.2. Transition climate scenarios detail

The table on page 112 summarises AEMO's IASR 2025 detail, inputs, and assumptions for each of the **Group's** transition climate scenarios.

The RCPs span the range of plausible climate scenarios with none of the scenarios deemed more likely than others, however, some require major and rapid changes in human activity to be achieved. Each RCP reflects a different concentration of global GHG emissions, based on assumptions of different combinations of possible future economic, technological, demographic, policy, and institutional trajectories.

Parameter	1. Green energy export scenario[12]	2. Step change scenario	3.Progressive change scenario
Description and key assumptions	Reflects very strong decarbonisation activities domestically and globally, consistent with limiting temperature increase to less than 1.5°C. It envisions a rapid transformation of Australia's energy sector, driven by ambitious climate policy and technology uptake, including a strong use of electrification, green hydrogen, and biomethane. In this scenario, Australia becomes a green H_2 export superpower, and there is intended to be minimal constraints (no supply chain/workforce/planning approvals) in developing renewable energy projects in the NEM and new infrastructure. High economic growth accelerates technological developments and leads to a decline in the cost of new technologies. Consumers heavily invest in CER with the greatest uptake of rooftop solar and batteries.	Features an energy transformation that supports Australia's contribution to limiting global temperature rise to well below 2°C compared to pre-industrial levels. It explores a future with strong decarbonisation ambition and rapid electrification across sectors. Consumers play a key role in the transition investment in electrification and CER such as rooftop solar and batteries. The scenario captures some of the ambition in developing renewable gas associated opportunities (biomethane and hydrogen), reflecting the economic challenges of establishing this new industry, while trends in artificial intelligence and other data-heavy applications encourage continued growth in data centres in Australia. The electrification of commercial and large industrial segments results new electricity demand.	Describes a world that aims to achieve Australia's current emissions reduction target of 43 per cent by 2030 and gradually achieve net zero emissions by 2050. This scenario features weaker global coordination and action, which is insufficient to limit temperature rise to less than 2°C. Consumers remain supportive of decarbonisation but have less capacity to invest in energy efficiency and electrification due to more challenging economic conditions. Energy intensive industries are at greater risk of closure due to the weak economic circumstances. Supply chains experience more challenges relative to other scenarios. Electrification occurs at a slower pace, and energy efficiency plays a more prominent role in reducing gas demand. Renewable gas modelling is similar to Step change scenario.
Temperature outcome (approximate warming by 2100)	1.5°C (RCP 1.9) (aligned with the requirement for a scenario for 1.5°C set out in s 296D(2B)(b) of the *Corporations Act 2001* (Cth))	1.8°C (RCP 2.6) (aligned with the Paris Agreement and the *Climate Change Act 2022* (Cth)	2.6°C (RCP 4.5) (aligned with the requirement for a scenario well above 2°C set out in s 296D(2B)(a) of the *Corporations Act 2001* (Cth))
Net zero emissions by 2050	Yes	Yes	Yes
82% NEM Renewable energy target year	2030	2030	2030
NEM Carbon Budget (2025–2052)	Green Energy Exports (2025–2052: 357 Mt)	Step Change (2025–2052: 681 Mt)	Progressive Change (2025–2052: 1203 Mt)
H_2 for power generation	From 2030	From 2035	From 2040
Renewable gas adoption	High. Industrial users adopt biomethane and later switch to green hydrogen to decarbonise.	Low due to lack of NGER recognition and economic challenges in establishing a new industry.	Low due to lack of NGER recognition and economic challenges in establishing a new industry.
Policy timing (federal and state)	Committed policy met ahead of schedule; value of emissions reduction introduced from 2030 to achieve carbon budget.	Committed policy met on time; value of emissions reduction introduced from 2035 to achieve carbon budget.	Committed policy met on time; value of emissions reduction introduced from 2040 to achieve carbon budget.
Storage targets	New South Wales Roadmap: 2GW long-duration storage by 2030 Victoria energy storage targets: At least 2.6 GW storage capacity by 2030; At least 6.3 GW storage capacity by 2035.	New South Wales Roadmap: 2GW long-duration storage by 2030 Victoria energy storage targets: At least 2.6 GW storage capacity by 2030; At least 6.3 GW storage capacity by 2035.	New South Wales Roadmap: 2GW long-duration storage by 2030 Victoria energy storage targets: At least 2.6 GW storage capacity by 2030; At least 6.3 GW storage capacity by 2035.

12. The proposed Green Energy scenario, outlined in the Draft 2025 IASR, included two variants: Green Energy Industries (with a greater domestic focus on green energy and hydrogen opportunities) and Green Energy Exports. In the Final IASR, the Green Energy scenario was renamed Accelerated Transition and reflects the Green Energy Industries variant. Jemena's analysis prior to this name change referred to the Green Energy Exports scenario.

Parameter	1. Green energy export scenario[12]	2. Step change scenario	3.Progressive change scenario
Fuel costs, new entrant capital costs	AEMO 2024 ISP Green Energy Exports	AEMO 2024 ISP Step Change	AEMO 2024 ISP Progressive Change
CER uptake (rooftop PV, behind the meter, battery energy storage systems, electric vehicles)	AEMO 2024 ISP Green Energy Exports	AEMO 2024 ISP Step Change	AEMO 2024 ISP Progressive Change
Timing for major transmission projects	EnergyConnect (Jul 2027) Heywood upgrade (Jul 2027) Humelink/VNI West (Apr 2029) QNI connect (Jul 2029) CopperString (Jul 2029) QNI medium upgrade (Jul 2030) Marinus Link 1 (Jul 2030) Marinus Link 2 (Jul 2032)	EnergyConnect (Jul 2027) Heywood upgrade (Jul 2027) Humelink/VNI West (Apr 2029) QNI connect (Jul 2029) CopperString (Jul 2029) QNI medium upgrade (Jul 2030) Marinus Link 1 (Jul 2030) Marinus Link 2 (Jul 2032)	EnergyConnect (Jul 2027) Heywood upgrade (Jul 2030) Humelink/VNI West (Apr 2032) QNI connect (Jul 2032) CopperString (Jul 2029) QNI medium upgrade (Jul 2032) Marinus Link 1 (Jul 2033) Marinus Link 2 (not developed)
Coal plant closure assumptions	Earlier closure/mothballing than committed and market signals	Earlier closure/mothballing than committed and market signals	Earlier closure/mothballing than committed and market signals
Black coal plant seasonal operation	All black coal	Work along this order to achieve profitability and carbon budget: New South Wales – ER/MP/VP/BW; Queensland – STAN/TARONG/TNPS/CPP	Work along this order to achieve profitability and carbon budget: New South Wales – ER/MP/VP/BW; Queensland – STAN/TARONG/TNPS/CPP
NEM underlying consumption demand in terawatt hours (TWh)	345 TWh at 2040	301 TWh at 2040	231 TWh at 2040
Hydrogen consumption (domestic) in TWh	50 TWh at 2040	15 TWh at 2040	9 TWh at 2040

6.3. Physical climate scenario detail

The below table summarises the detail, inputs, and limitations of AECOM's *Climate Change Study for Victorian Electricity Distribution Businesses – Phase 1* ("AECOM") and the *Climate Council's Climate Risk Map of Australia* ("Climate Council") used for the **Group's** physical climate scenario. The information is an output of a range of GCMs and RCMs from the CMIP (Coupled Model Intercomparison Project). CMIP is an international climate modelling initiative to understand changes in climate via creating a model. This model digitises the processes and interactions between parts of Earth's climate system: the atmosphere, ocean, land surface, cryosphere, and biosphere. These are models are used to explore how changes in human activities impact the Earth's climate, such as how much it warms, and how floods, droughts and other extremes are anticipated to change.

Parameter	4. Physical risk scenario
Description and key assumptions	Under the RCP4.5 scenario, physical climate risks are moderate but increasing over time as global warming progresses. Chronic risks such as sustained heat stress, gradual asset degradation continue to intensify, particularly in vulnerable regions. Acute risks including bushfires, severe storms, and flooding occur more frequently than today. The greater frequency and severity of extreme weather events lead to increased disruption across energy networks and supply chains.
Temperature outcome (Approximate warming by 2100)	1.7–3.2°C (RCP 4.5) (aligned with the requirement for a scenario well above 2°C set out in s 296D(2B) (a) of the *Corporations Act 2001* (Cth))
Net zero emissions by 2050	Yes
Global greenhouse gas emissions pathway	Emissions peak around 2040
AECOM Extreme rainfall (flooding)	**Climate variable** Vicmap Planning – Planning Scheme Overlay Polygon **Commentary on spatial data** Victorian planning overlays, specifically Special Building Overlay (SBO), Land Subject to Inundation Overlay (LISO), Floodway Overlays (FO), Rural Flood Overlay (RFO) and Urban Flood Zone (UFZ) were used. Representative of historic areas at risk of flooding. **Limitations** Overlays are based on a 1-in-100-year event and does not consider climate change. The Project has applied a 50 m and 100 m buffer to identify assets that have the potential to become exposed to floods as intensity of rainfall events increase and flood hazard profiles change. No flood overlays exist for Mornington Peninsula Shire Council. **Source** discover.data.vic.gov.au/dataset/vicmap-planning-planning-scheme-overlay-polygon
AECOM Extreme rainfall	**Climate variable** Very wet days (more than 20 mm) – RCP 4.5 **Commentary on spatial data** Spatial resolution of 5 km. Climate model NorESM1-M-CCAM-QME was used. **Limitations** These represent plausible projections of future climate. For detail on the limitations and assumptions refer to the source of the data. **Source** https://vicfutureclimatetool.indraweb.io/
AECOM Bushfire	**Climate variable** Vicmap Planning – Planning Scheme Overlay Polygon **Commentary on spatial data** The Bushfire Management Overlay (BMO) represents locations of Very High or Extreme bushfire hazard. **Limitations** The BMO does not consider the projected increase in frequency and intensity of fire weather conditions (i.e., increase in Forest Fire Danger Index days > 25). However, the extent, or locations at risk, are largely determined by terrain and vegetation. **Source** https://discover.data.vic.gov.au/dataset/vicmap-planning-planningscheme-overlay-polygon

Parameter	4. Physical risk scenario
AECOM Extreme heat	**Climate variable** Hot Days (max above) 35°C – RCP 4.5 Hot Days (max above) 40°C – RCP4.5 **Commentary on spatial data** Spatial resolution of 5 km. Climate model HadGEM2-CC was used. **Limitations** Does not consider the potential impact of the urban heat island effect on urbanised areas. **Source** https://vicfutureclimatetool.indraweb.io/
AECOM Average temperature	**Climate variable** Change in mean temperature (°C) – RCP 4.5 **Commentary on spatial data** Spatial resolution of 5 km. Climate model HadGEM2-CC was used. **Limitations** These represent plausible projections of future climate. For detail on the limitations and assumptions refer to the source of the data. **Source** https://vicfutureclimatetool.indraweb.io/
AECOM Extreme wind	**Climate variable** Vicmap Planning – Vegetation Tree Extent **Commentary on spatial data** Represents a presence/absence of tree cover derived from the statewide dataset aerial photography with a minimum 20cm pixel resolution. Mapping of tree cover is based upon a machine learning technique. Tree cover is defined as woody vegetation greater than approximately 2 m in height. **Limitations** There is low confidence associated with projections of extreme wind. The use of the vegetation tree extent layer provides a proxy for assets that may be exposed to damage from tree contact due to extreme wind conditions. It does not represent assets in open areas that may be at risk of extreme wind events. **Source** https://discover.data.vic.gov.au/dataset/vicmap-vegetation-tree-extent-rest-api
AECOM Extreme wind	**Climate variable** Number of days with maximum wind gust over 100 km/h **Commentary on spatial data** Projections were developed by ClimSystems using a 2005 baseline sourced from the Bureau of Meteorology Atmospheric high resolution Regional Reanalysis for Australia (BARRA) and derived from CMIP6 ESM daily maximum wind Speed projections. **Limitations** Projections were developed for this project at a 5 km spatial resolution. **Source** https://www.climsystems.com/
AECOM Coastal erosion	**Climate variable** Victorian Coastal Hazard 2017 Erosion Vulnerability Results **Commentary on spatial data** Extents represent locations where coastal erosion has the greatest potential to occur as sea level rise, or the intensity of coastal storm events increase. **Limitations** These represent plausible projections of future climate. For detail on the limitations and assumptions refer to the source of the data. **Source**[13] https://corpgis.mapshare.vic.gov.au/arcgis/rest/services/CoastKit/CHAErosion/MapServer/1

13 This dataset has been removed and is no longer available at this URL. Please reach out to AECOM for original data.

Parameter	4. Physical risk scenario
AECOM Coastal flooding	**Climate variable** Sea level rise and storm surge related inundation – RCP 4.5, 2040 and 2070 **Commentary on spatial data** Hazard extents represent potential areas exposed to sea level rise related inundation and storm surge related inundation. **Limitations** These represent plausible projections of future climate. For detail on the limitations and assumptions refer to the source of the data. **Source** https://discover.data.vic.gov.au/dataset/victorian-coastal-inundation-sea-level-rise-storm-tide-2040 https://discover.data.vic.gov.au/dataset/victorian-coastal-inundation-sea-level-rise-storm-tide-2070
AECOM Lightning	**Climate variable** Conditions favourable for thunderstorm formation **Commentary on spatial data** Victorian Climate Projections 2019 considered the implications of the CCAM projections on favourable thunderstorm conditions very broadly at a state level. **Limitations** These represent plausible projections of future climate. For detail on the limitations and assumptions refer to the source of the data. **Source** Victorian Climate Projections 2019 (VCP19)
AECOM Drought	**Climate variable** Extreme dry – number of consecutive months with Standardised Precipitation Index (SPI) between -1.5 and -3. **Commentary on spatial data** Spatial resolution of 5 km. Climate model HadGEM2-CC was used. **Limitations** These represent plausible projections of future climate. For detail on the limitations and assumptions refer to the source of the data. **Source** https://vicfutureclimatetool.indraweb.io/
AECOM Humidity	**Climate variable** Relative humidity **Commentary on spatial data** Spatial resolution of 5 km. Climate model NorESM1-M-CCAM-QME was used. **Limitations** These represent plausible projections of future climate. For detail on the limitations and assumptions refer to the source of the data. **Source** https://vicfutureclimatetool.indraweb.io/
AECOM Increased solar radiation	**Climate variable** Hot Days (max above) 30°C – RCP 4.5 **Commentary on spatial data** Spatial resolution of 5 km. Climate model HadGEM2-CC was used. **Limitations** These represent plausible projections of future climate. For detail on the limitations and assumptions refer to the source of the data. **Source** https://vicfutureclimatetool.indraweb.io/

Parameter	4. Physical risk scenario
Climate Council Riverine flooding and surface water flooding	**Overview** Riverine and surface water floods are flooding due to fresh water, as opposed to sea water. Riverine flood (fluvial) is a rise in the water level of a stream or water body to a peak from which the water level recedes at a slower rate, spilling water into the adjacent low-lying areas. Riverine floods are due to rainfall or snow melt in the entire catchment upstream of the location. Surface water flood (pluvial) is defined as flooding which results from rainfall-generated overland flow, before the runoff enters any watercourse or sewer. In such situations urban underground sewerage/drainage systems and surface watercourses may be completely overwhelmed. Surface water floods are due only to rainfall in the immediate area. **Local context data use** Flood maps used in the Climate Risk Engines analysis must contain water depths and flood extents for flood events characterised by Annual Return Intervals (ARI). For example, a flood map for a 1-in-100-year flood shows the depths of the flood water for an event of that frequency. **Baseline hazard data** To consider changes to the probability of flooding due to climate change, projected changes to precipitation must be examined. **Climate change projections** Climate change impacts on precipitation and flooding use the locally downscaled modelling of future precipitation changes using GCM and RCMs. The Climate Risk Engines use annual maxima of daily rainfall totals from climate simulations and historical observations to estimate the changes in return frequency of floods. The Climate Risk Engines automatically select GCM data based on those models which have strong precipitation signals over the region in which they operate.
Climate Council Bushfire/forest fire	**Overview** The forest fire model takes into account fire weather (with a climate change signal) by considering maximum wind speed and vapour pressure deficit (VPD; the difference between the absolute humidity and the water vapour saturation point for a given temperature), ground fuel mapping, and ground fuel attenuation. Forest fires can destroy buildings and infrastructure through direct flame or intense radiant heat. Assets considered to be at risk are those under or surrounded by trees, or close enough to trees to be affected by intense thermal radiation should the forest catch on fire. Grass fires are not covered by this model. The key elements are: — a fire weather metric from climate simulations; — a Forest Fire Exposure Factor (FFEF), which accounts for density of ground fuel in the surrounding area, and ground fuel attenuation maps which are used to reduce the risk of damaging fires occurring or propagating; — probability of ignition and the probability of a fully exposed asset being destroyed, given forest and ground fuel present and fire weather conditions; and — burn probability which accounts for the probability that a property will catch on fire if there is a forest fire in the immediate vicinity. **Local context data use** The FFEF is based on local context data that attempts to capture a location's exposure to flammable vegetation and likely protection from fire services. The forest fire hazard data context layers in the Climate Risk Engines use density of ground fuel in the surrounding area, and ground fuel attenuation maps which are used to reduce the risk of damaging fires occurring or propagating. **Baseline hazard data** The driving parameters of forest fire are temperature, humidity, wind speeds and forest-fire prone land. The Hot-Dry-Windy index (HDW) of fire weather is based on maximum wind speed and Vapour Pressure Deficit (VPD). **Climate change projections** Gridded projections for future epochs, based on GCM/RCMs from CMIP5, or CMIP6 directly can be used to project the changes to the key inputs for HDW.

Parameter	4. Physical risk scenario
Climate Council Coastal inundation	**Overview** Flooding caused by sea water is referred to as coastal inundation. It can be caused by high tides, in combination with elevated sea level driven by wind and low air pressure, the size and frequency of waves and the dynamics at the sea-land interface. Coastal inundation events are exacerbated by rising sea levels. Sea levels rise for two reasons: the first is the added water from the melting of ice on land (floating ice does not add to sea level as it melts), the second is from thermal expansion of the oceans as the seas warm. The risk of coastal inundation calculated by the Climate Risk Engines implicitly includes tropical cyclone storm surge. However, the coastal inundation model only considers the impact of sea level rise and does not consider the effect of increasing tropical cyclone intensity which would further exacerbate increasing coastal inundation. Furthermore, this model does not currently include the impact of waves, which can substantially increase the risk to low-lying properties on the immediate coastline. **Local context data use** The Climate Risk Engines also include an adjustment of the effects of land movement. This accounts for the fact that as well as general sea level rise, some continents are moving upward or downward. If the land is moving down because of tectonic actions, the height of mean sea level at that location is increasing above and beyond anthropogenic sea level rise. **Baseline hazard data** Coastal inundation data is based on tide gauges. These tide gauges provide a spectral probability distribution of tide levels, including extreme sea events. **Climate change projections** The average global sea level is rising by 3.2 mm per year. The U.S. Government's National Oceanic and Atmospheric Administration report includes projections for what they refer to as 'high' and 'extreme' Sea Level Rise scenarios, with increases of 2 m and 2.5 m of sea level rise by 2100, respectively. The 2021 IPCC report also allows for the possibility of 2 m sea level rise by the end of the century. Thus, the results for the 'higher sea level rise range' should be considered less likely, but possible. The Climate Risk Engines includes an intermediate projection from the suite of curves developed by Haigh et al. (2014) using a default setting of 1.5 m by 2100. The range of SLR projections in the Climate Risk Engines are listed below. NOAA Low 0.3 m Intermediate–Low 0.5 m NOAA Intermediate 1.0 m Intermediate–High 1.5 m NOAA High 2.0 m NOAA Extreme 2.5 m
Climate Council Extreme wind/synoptic wind	**Overview** Synoptic winds are driven by pressure gradients between large-scale atmospheric pressure systems (on the order of hundreds of kilometres e.g., low pressure systems) that are the result of temperature differences across the Earth. Air travelling at high speeds, even in short gusts, can directly damage buildings and infrastructure. High winds can also cause indirect disruption when trees drop limbs onto power lines or debris puts life and property at risk. **Baseline hazard data** Raw data on wind speeds is extracted from weather stations in its native form. Such data may include short duration gusts, through to 10-minute sustained wind speeds. There are a range of conversion tables available to convert between these parameters. **Climate change projections** Global Circulation Model (GCM) and Regional Climate Model (RCM) models are executed at scales that capture changes in synoptic wind patterns. Climate projections are used to establish baseline wind gust speed (3 s gust) for threshold return frequencies and then used to project how this speed changes over time.

Parameter	4. Physical risk scenario
Climate Council Tropical cyclone wind	**Overview** Tropical cyclones, also known as hurricanes and typhoons, cause significant destruction through high winds, storm surge and rainfall (Direct Energy, 2021). This model provides changes in the tropical cyclone wind speed distribution for a location on the globe. Numerous studies link sea surface temperature to tropical cyclone development and strengthening of cyclogenesis that bring strong winds. Sea Surface Temperatures (SST) will increase under climate change. While the frequency of tropical cyclones is projected to remain relatively constant or decrease slightly with increased atmospheric temperatures, studies suggest increases in the proportion of Category 4 and 5 (the most severe) cyclones across most ocean basins, and a general increase in intensity across all tropical cyclones. The rate of increase is subject to future warming scenarios. The severity of tropical cyclones is also expected to be affected, with the maximum wind intensity expected to rise with warming, providing longer and more favourable conditions for extreme weather conditions. **Baseline hazard data** Tropical cyclone baseline data comes from international and national government and research centre sources. The International Best Track Archive for Climate Stewardship (IBTrACS) data contains historical tropical cyclone track data, including maximum sustained wind speeds at the surface. This data is used along with ERA5 sea surface temperature data to develop a baseline tropical cyclone wind speed distribution associated with sea surface temperature. Additionally, the tropical cyclone tracks are used to develop a map of the historical frequency of tropical cyclones across the globe. The overall resolution of the model is 0.01 degrees. **Climate change projections** Gridded projections of sea surface temperatures, based on GCMs from CMIP5, are used to project the change in tropical cyclone wind speed distributions. The effects of climate change on tropical cyclones capture the increase in the maximum surface wind speeds, shown in Knutson et al. (2020), at a rate of approximately 2.5 per cent per degree of warming. Additionally, because of varying rates of sea surface temperature warming across the globe, the poleward movement of tropical cyclones also is captured.

6.4. Scenario analysis results by business unit

The following table captures the key results of scenario analysis for each scenario, broken down into the **Group's** business units

Scenario	Business unit	Scenario analysis results summary
< 1.5°C (green energy exports) **Transition risks and opportunities**	**Gas transmission**	— Rapid decarbonisation drives significant need for GPG and gas in the energy system in the near term. — Under this scenario, EGP is highly utilised until the late 2040s driven by rapid NEM decarbonisation, supply shortfalls in Victoria and a weak global liquefied natural gas (LNG) market making Port Kembla imports an attractive supply option out through 2050. — QGP sustains current revenue levels until H2 adoption drives down gas demand from 2045. — DDP utilisation declines after 2035 in line with reduction of LNG exports. — NGP flows Beetaloo linked volumes to the ECGM within existing pipeline capacity constraints.
	Gas distribution	— Residential customers undergo highest rate of electrification and gas demand drops across the network. — Industrial customer load increases due to fuel switching towards renewable gases (including biomethane and hydrogen) to achieve rapid decarbonisation. — Moderate number of customers and demand still exists in the gas distribution network.
	Electricity distribution	— Highest growth scenario for JEN electricity asset with very high electrification of all sectors.
	Overall (Group)	The **Group's** financial performance and position remain resilient. The **Group** has a strong growth opportunity from electrification and maintains its performance gas assets to support the rapid energy transition to a 1.5°C world.

Scenario	Business unit	Scenario analysis results summary
< 2°C (step change – 1.8°C) **Transition risks and opportunities**	**Gas transmission**	– This scenario focuses on GPG required from 2030 as coal exits the NEM and there is a need to maintain system reliability via energy terminals. – The EGP maintains strong utilisation with bi-directional flows supporting Victorian and New South Wales demand into 2040s. Asset expansion is required to maintain supply demand balance and resiliency. – QGP maintains current revenue levels until medium term. Utilisation is linked to industrial decarbonisation of key customers. – A moderate outlook for LNG drives Beetaloo development. NGP operation within existing pipeline capacity and strong gas flows on the DDP until reserves limitations hit from the 2040s.
	Gas distribution	– Residential customers undergo high rate of electrification. – There is continued demand for gas and moderate number of customers are connected to the gas distribution network.
	Electricity distribution	– Moderate growth scenario of JEN electricity network with high electrification of all sectors.
	Overall (Group)	The **Group** shows increased financial performance under this scenario driven by electrification growth and continued use of gas transmission and distribution assets to achieve an orderly transition.
> 2.5°C (progressive change) **Transition risks and opportunities**	**Gas transmission**	– As coal power exits the NEM in the mid 2030s, GPG demand increases gas demand and JGN assets see strong utilisation and growth in the medium to long-term. – The EGP sees a modest decline in the short term followed by rapid expansion from mid 2030s through 2050 to support both New South Wales and Victorian demand. – QGP sees growth from new supply sources and continued industrial demand for gas out through 2050. – A strong outlook for gas (domestic and export LNG) drives significant Beetaloo development which supports an expansion of the NGP and strong gas flows on the DDP until reserves limitations hit from the 2040s.
	Gas distribution	– At the slowest rate of electrification, there is continued gas demand in the network in 2050. Significant number of customers remain in the network.
	Electricity distribution	– Slowest electrification growth scenario amongst the 3 climate scenarios. Electricity distribution business still achieves significant growth driven by EVs, residential electrification and large industrial load growth.
	Overall (Group)	With an increased role of gas and high electrification in this scenario, the **Group** shows strong growth opportunities and financial performance.
> 2.5°C (physical risk scenario) **Physical risks**	**Gas transmission**	Gas Transmission assets assessed the short, medium, and long-term physical climate related risk impacts compared to greater than 2.5 C global warming and identified the moderate risk to assets integrity predominantly caused by localized flooding, storm events, bushfires. These hazards can lead to financial losses, operational interruptions, asset damage, and severe safety risks, with cascading impacts on regulatory compliance and reputation.
	Gas distribution	Moderate physical risk exposure, primarily from riverine flooding, storms, and ground movement from erosion. These hazards can cause network isolation, asset damage, and restricted access, leading to cascading impacts such as service disruption, financial loss, personal injury, and reputational damage.
	Electricity distribution	Less than 5 per cent of electricity distribution lines and distribution substations have relative exposure to climate physical hazards. But bushfire is a key concern with approximately 5 per cent of the electricity network assets located in high bushfire risk area. While the likelihood of bushfire risk is relatively low, but the potential risk consequences are catastrophic, including risk of life loss, property and environment damage, and substantial business interruption cost, service disruption and financial loss.
	Overall (Group)	This scenario results in heightened physical risk due to increase frequency and severity of natural hazards. However, as gas assets are underground and electricity assets are in urban areas, physical risk exposure is moderate and the **Group** has strong critical incident response procedures to remain resilient and manage the risk within appetite.

6.5. Significant areas of uncertainty considered in the assessment of resilience

The use of scenarios is not to predict which future is anticipated to occur, but to explore a set of plausible futures that communicate and inform risks, opportunities, and key uncertainties. The **Group's** resilience assessment under each scenario is most sensitive to changes in the following inputs and assumptions, which are monitored year on year to ensure the resilience assessment remains current with the latest forecasts for these critical factors.

- **Macroeconomy and population:** Growth in the Australian economy, along with associated population trends and economic activity across Australia's industrial, commercial, manufacturing, mining, transport, and other sectors. This includes emerging commercial loads such as data centres, as well as global economic factors influencing demand for industrial products and the LNG market, which affects both Australian LNG exports and the price of imports.
- **CER investments and residential electrification:** Uptake and use of small-scale embedded generation and storage technologies (such as rooftop PV, batteries, EVs), together with consumer appetite for their coordination.
- **Policy support:** Ongoing government policies aimed at building a resilient energy system.
- **Decarbonisation policies and regulatory change:** Evolving state, national and international climate policies, regulatory frameworks, and disclosure requirements (e.g. Safeguard Mechanism reforms, sectoral decarbonisation targets, mandatory climate reporting), which directly influence the **Group's** transition pathway and compliance obligations.
- **Technology cost and performance:** Trends in the cost and performance of electricity and gas generation, storage, and network technologies. This includes the cost of natural gas and GPG, hydrogen production and use, and manufactured products that utilise hydrogen (e.g. green iron and ammonia products), as well as other alternatives (including biomethane) that may reduce the emissions intensity of energy.
- **New supply projects:** The location and development timing of new supply projects, which will influence the volume and direction of gas flows in the east coast market.
- **GPG:** The scale, rate, and timing of GPG and associated gas infrastructure investment and operation, which are critical drivers of gas transmission volumes and closely tied to the phased retirement of coal-fired generation.

7. Appendix B

7.1. Methodology for calculating greenhouse gas emissions

For the calculation of Scope 1 and Scope 2 emissions, the **Group** follows the NGER Determination methods. The **Group** has adopted this approach as it ensures compliance with domestic obligations while remaining consistent with international best practice methodologies, including the Greenhouse Gas Protocol. This alignment supports the credibility and comparability of reported GHG emissions across both national and global contexts.

All sources are reported using Method 1, unless otherwise noted. An exception applies to GHG emissions associated with natural gas distribution, which are calculated using Method 3, following a change in FY24. The **Group** updated its methodology for calculating Scope 1 emissions for JGN, transitioning from Method 1 (which applies default emissions factors based on national averages) to Method 3 (which uses sampling and analysis of the actual gas transported). This change was made to improve data fidelity and better reflect the emissions profile of JGN operations.

The **Group's** methodology for calculating GHG emissions adheres to the assumptions made in the NGER Determination, and it has made no additional assumptions.

Operational boundaries

The **Group** has measured its Scope 1 and Scope 2 emissions via the operational control approach in alignment with Division 1 Part 2 of the *National Greenhouse and Energy Reporting Act 2007* (Cth), which requires reporting of GHG emissions, energy production, and energy consumption from facilities under the operational control of the **Group**. GHG emissions are disaggregated by legal entity and facility for assets and operations over which the **Group** maintains operational control.

Please refer to Table 4 for details of businesses and facilities under the operational control of the **Company**.

TABLE 4: OPERATIONAL CONTROL

Business	Company Operational Control
JEN	Yes
JGN	Yes
QGP	Yes
EGP	Yes
Colongra Gas Storage and Transmission Facility	Yes
NGP	Yes
Roma North (RNP)	Yes
ActewAGL Gas Networks	Yes
ActewAGL Electricity Networks	Yes
DDP	Yes
Zinfra	Yes
Malabar Biomethane Injection Plant	Yes
United Energy (UEDH)	No

The **Group's** GHG emissions inventory is split into three scopes:

- **Scope 1:** The **Group** has identified GHG emissions released into the atmosphere as a direct result of activities in a facility.
- **Scope 2:** The **Group** has identified GHG emissions released outside of a facility to produce electricity imported into a facility and used.
- **Scope 3:** The **Group** has identified GHG emissions released outside an organisation's facility as a result of an organisation's actions (for example, upstream such as emissions generated from extraction and production of fossil fuels; downstream, such as emissions from transport of products).

Calculation approach, data sources, and assumptions

GHG emissions from the **Group's** operations are calculated using the NGER Determination emissions factors in the first instance, and the National Greenhouse Accounts (NGA) Factors where additional estimates are required.

The **Group** has made material assumptions in the following areas of emissions calculations for Scope 1 and Scope 2 emissions due to the lag in the availability of required data.

Unaccounted for Gas (UAG%): Estimates have been made for Oct–Dec 2025 based on billing imbalance data. This information is used in calculating Scope 1 emissions for JGN.

Gas sales data: Estimates have been made for Oct–Dec 2025 based on average sales volumes for the same time period in CY23 and CY24. This information is used in calculation of Scope 1 emissions for JGN.

Line loses: Estimates have been made for Jul–Dec 2025 based on forecasted line loss data. This information is used in calculation of Scope 2 emissions for JEN.

The **Group** does not believe the assumptions will contribute to significant uncertainties in the emissions reporting and has obtained reasonable assurance on the Scope 1 and Scope 2 emissions for the reporting period.

The following table details the calculation methods applied to each Scope 1, 2, and 3 emissions categories.

TABLE 5: EMISSIONS CALCULATION METHOD

	Activity	Calculation method
Scope 1 Category		
Fuel combustion	Emissions released from combustion of gaseous fuels – Stationary energy purposes	NGER Method 1
	Electricity production – Liquid fuels	NGER Method 1
	Electricity production – Gaseous fuels	NGER Method 1
	Emissions released from combustion of liquid fuels other than petroleum oils or greases – Stationary energy purposes	NGER Method 1
	Emissions released from combustion of liquid fuels other than petroleum oils or greases – Transport energy purposes	
	Emissions released from combustion of petroleum-based oils or greases	NGER Method 1
Industrial processes	Emissions of sulphur hexafluoride gases from gas insulated switchgear and circuit breaker applications	NGER Method 1
Fugitive emissions	Natural gas transmission (other than emissions that are flared)	NGER Method 1
	Natural gas transmission (emissions that are flared)	NGER Method 1
	Natural gas distribution (other than emissions that are flared)	NGER Method 3 (JGN) NGER Method 1
	Natural gas processing (emissions that are flared)	NGER Method 1
	Natural gas processing (emissions that are vented)	NGER Method 1
Scope 2 Category		
Purchase and loss of electricity from main electricity grid in a state or territory	N/A	NGER Location-based Method A1

	Activity	Calculation method
Scope 3[14] Category		
Category 1: Purchased goods and services	Extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year, not otherwise included in Categories 2–8	Spend-based method
Category 2: Capital goods	Extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year	Spend-based method
Category 3: Fuel and energy-related activities (not included in Scope 1 or Scope 2)	Extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in Scope 1 or Scope 2	Average-data method
Category 4: Upstream transportation and distribution	Transportation and distribution of products purchased by the reporting company in the reporting year between a company's tier 1 suppliers and its own operations (in vehicles and facilities not owned or controlled by the reporting company) Transportation and distribution services purchased by the reporting company in the reporting year, including inbound logistics, outbound logistics (e.g., of sold products), and transportation and distribution between a company's own facilities (in vehicles and facilities not owned or controlled by the reporting company)	Spend-based method
Category 5: Waste generated in operations	Disposal and treatment of waste generated in the reporting company's operations in the reporting year (in facilities not owned or controlled by the reporting company)	Average-data method
Category 6: Business travel	Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company)	Distance-based method
Category 7: Employee commuting	Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company)	Distance-based method
Category 11: Use of sold products	End use of goods and services sold by the reporting company in the reporting year	Product Life Cycle Emissions Method
Category 15: Investment	Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in Scope 1 or Scope 2	Investment specific method

14 The **Group** calculates its Scope 3 emissions voluntarily in accordance with the GHG Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3). The **Group** applies the year 1 transition relief available under paragraph C4(b) of AASB S2, whereby Scope 3 emissions are not yet required to be calculated and reported in accordance with the AASB S2 framework.

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Independent Auditor's Report to the Members of SGSP (Australia) Assets Pty Ltd

Review conclusion

We have conducted a review of the following information in the Sustainability Report of SGSP (Australia) Assets Pty Ltd ("SGSPAA") (the Company) and its subsidiaries (collectively the Group) for the year ended 31 December 2025 (the 'selective reviewed sustainability information') in accordance with Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* (ASSA 5010) issued by the Auditing and Assurance Standards Board (AUASB):

Selective reviewed sustainability information	Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	Section 4. Governance on pages 103 to 108
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Section 2.3. Relevant climate-related risks and opportunities on pages 82 to 93

The requirements of AASB S2 identified in the table above form the criteria relevant to the selective reviewed sustainability information and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the selective reviewed sustainability information specified in the table above does not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Audit opinion

We have conducted an audit of the following information in the Sustainability Report of SGSPAA (the Company) and its subsidiaries (collectively the Group) for the year ended 31 December 2025 (the 'selective audited sustainability information') in accordance with ASSA 5010:

Selective audited sustainability information	Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Section 3.2. Greenhouse gas emissions performance on pages 98-99 Section 3.6. Methodology for calculating greenhouse gas emissions on page 102 Appendix B on pages 122-124

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The requirements of AASB S2 identified in the table above form the criteria relevant to the selective audited sustainability information and apply under Division 1 of Part 2M.3 of the Act.

In our opinion, the selective audited sustainability information specified in the table above is prepared in accordance with the *Corporations Act 2001*, including:

a. Subsection 296A(2) (contents of climate statements);
b. Section 296C (compliance with Australian Sustainability Reporting Standard S2 *Climate-related Disclosures* issued by the Australian Accounting Standards Board and any Ministerial legislative instrument); and
c. Section 296D (climate statement disclosures).

The selective reviewed sustainability information and selective audited sustainability information are collectively referred to as the 'selective sustainability information.'

Basis for conclusion and opinion

Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the selective reviewed sustainability information is free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the work performed for our review engagement* section of our report.

Basis for opinion

Our audit has been conducted in accordance with ASSA 5000. Our audit includes obtaining reasonable assurance that the selective audited sustainability information is free from material misstatement.

Basis for conclusion and opinion

Our responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Act and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code), that are relevant to reviews and audits of the selective sustainability information of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

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Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

Other information

The directors of the Company are responsible for the other information. The other information comprises the Company's Annual Report, including the Financial Report and the Sustainability Report, but does not include the selective sustainability information and our review and audit report thereon.

Our conclusion and opinion on the selective sustainability information does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our review and audit of the selective sustainability information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the selective sustainability information, or our knowledge obtained when conducting the review and audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the selective sustainability information

The directors of the Company are responsible for:

- The preparation of the selective sustainability information in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the selective sustainability information, in accordance with the Act that is free from material misstatement, whether due to fraud or error.

Inherent limitations

As discussed on page 79 of the Report, climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The Report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions and estimates and judgements that have not yet occurred and may never occur. We do not provide assurance on the achievability of this prospective information.

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

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Auditor's responsibilities

Our objectives are to:

- Plan and perform the review to obtain limited assurance about whether the selective reviewed sustainability information, defined in the *Review conclusion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion.

- Plan and perform the audit to obtain reasonable assurance about whether the selective audited sustainability information, defined in the *Audit opinion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our opinion.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selective sustainability information.

As part of our audit and review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- For a review engagement:

    - Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.

    - Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- For an audit engagement:

    - Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the assertion level for the disclosures but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.

    - Design and perform procedures responsive to assessed risks of material misstatement at the assertion level for the disclosures. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed for our review engagement

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the selective reviewed sustainability information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

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In conducting our review, the procedures we performed included, but were not limited to:

- Considered the completeness of SGSPAA's assessment of climate-related risks and opportunities
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective reviewed sustainability information during the reporting period
- Read minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures
- Assessed the appropriateness of the reporting boundaries applied
- Undertook analytical review procedures to support the reasonableness of the selective reviewed sustainability information
- Agreed the selective reviewed sustainability information disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the selective reviewed sustainability information against the requirements of AASB S2

Ernst & Young

Brett Croft
Partner
Melbourne
12 March 2026

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SGSP (AUSTRALIA) ASSETS PTY LTD

ABN 60 126 327 624

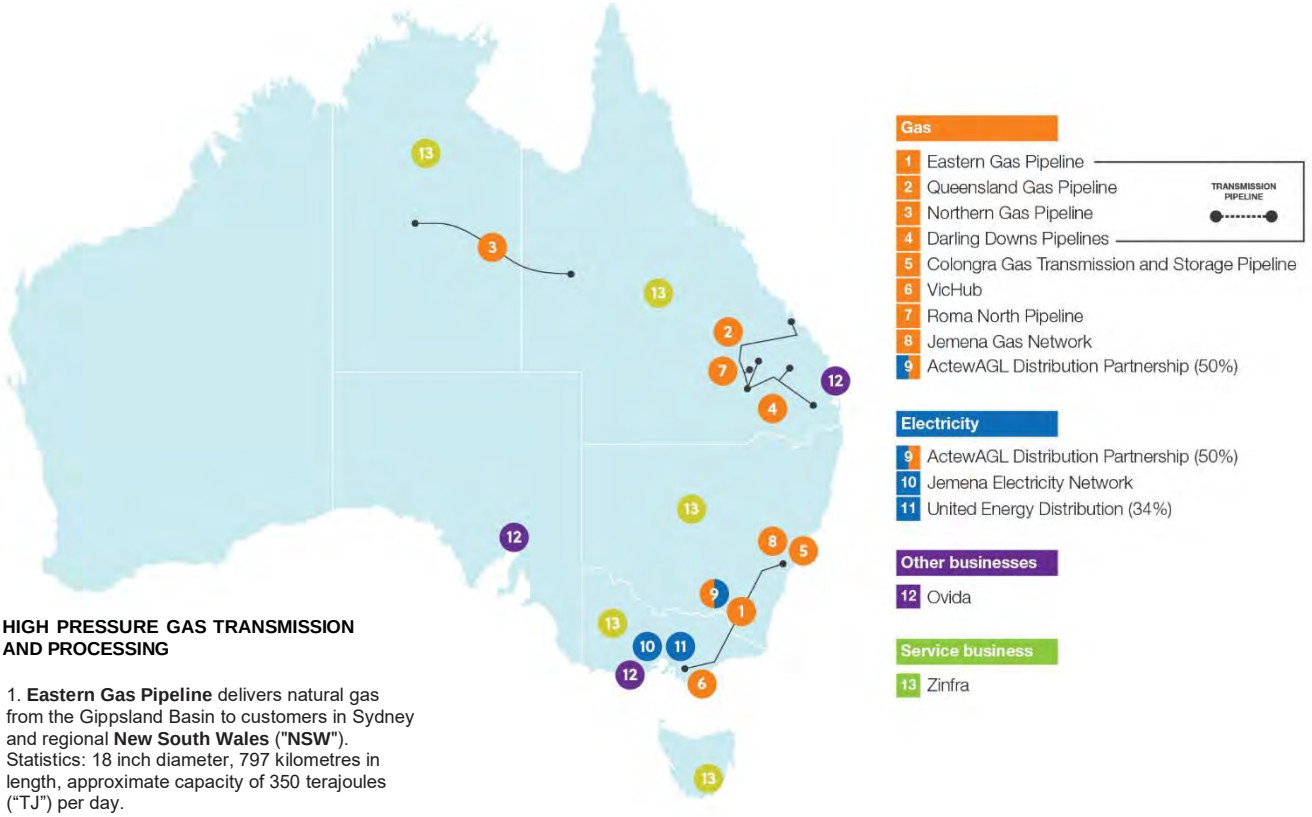
FINANCIAL REPORT

For the year ended 31 December 2024

PRINCIPAL ACTIVITIES

For the year ended 31 December 2024

SGSP (Australia) Assets Pty Ltd
ABN 60 126 327 624



HIGH PRESSURE GAS TRANSMISSION AND PROCESSING

1. **Eastern Gas Pipeline** delivers natural gas from the Gippsland Basin to customers in Sydney and regional **New South Wales** (**"NSW"**). Statistics: 18 inch diameter, 797 kilometres in length, approximate capacity of 350 terajoules ("TJ") per day.

2. **Queensland Gas Pipeline** delivers natural gas from the Surat Basin, Denison Trough and Bowen Basin to large industrial users in Gladstone and Rockhampton. Statistics: 12 inch diameter, 627 kilometres in length, approximate capacity of 140 TJ per day.

3. **Northern Gas Pipeline** delivers natural gas between Tennant Creek and Mt Isa. Construction was completed and first gas flowed in January 2019. Statistics: 12 inch diameter, 623 kilometres in length, approximate capacity of 90 TJ per day.

4. **Darling Downs Pipeline** (**"DDP"**) Network consists of three integrated pipelines extending from Spring Gully to Wallumbilla through to the Darling Downs Power Station. Statistics: 292 kilometres in length and capacity ranging from 155TJ/d to 502TJ/d. The DDP network also includes the Atlas Gas Processing Facility and pipeline connecting Surat Basin in QLD to the DDP. Statistics: 60 kilometres in length and capacity of approximately 40TJ per day.

5. **Colongra Gas Pipeline** stores and delivers natural gas across 9 kilometres to the Colongra peaking power station at Munmorah.

6. **VicHub** is a pipeline interconnect facility situated at Longford. The facility enables gas to flow between the EGP, the Tasmanian gas pipeline and the Victorian gas transmission system. The facility has a nominal daily injection capacity of 150 TJ per day and a withdrawal capacity of 135 TJ per day.

7. **Roma North Pipeline** processes and delivers natural gas from the Surat Basin into the GLNG Comet Ridge to Wallumbilla Pipeline. Statistics: 8 inch diameter, 5 kilometres in length, approximate capacity of 24 TJ per day.

GAS DISTRIBUTION

8. **Jemena Gas Network** was established in 1837 and is the principal gas distribution business in NSW. It typically delivers 90-95 petajoules of natural gas each year to more than 1.5 million homes and businesses throughout NSW.

9. The Group holds a 50% interest in the **ActewAGL Distribution Partnership** ("**ADP**"), primarily operating as 'Evoenergy'. The remaining 50% is ultimately held by the **Australian Capital Territory** ("**ACT**") government. ADP owns and operates the gas networks in the ACT, Queanbeyan-Palerang and Nowra.

ELECTRICITY DISTRIBUTION

9. **ADP** owns and operates the electricity distribution network in the ACT.

10. **Jemena Electricity Network** (**"JEN"**) delivers electricity to over 370,000 homes and businesses through approximately 6,300 kilometres of distribution network covering approximately 950 square kilometres of northwest greater Melbourne.

11. The Group holds a 34% interest in **United Energy Distribution Holdings Pty Ltd** ("**UEDH**"). UEDH group delivers electricity to over 700,000 homes and businesses through a distribution network covering approximately 1,472 square kilometres of southeast Melbourne and the Mornington Peninsula.

OTHER BUSINESSES

12. **Ovida** offers energy solutions that enable customers to access and integrate renewable energy, primarily through long-term agreements where Ovida owns, installs and maintains rooftop solar panels.

SERVICES BUSINESS

13. **Zinfra** provides engineering and design, project management, construction, civil, maintenance and asset operations services to the Australian utility infrastructure sectors and adjacent markets.

SGSP AUSTRALIA ASSETS

Financial report

For the year ended 31 December 2024

SGSP (Australia) Assets Pty Ltd
ABN 60 126 327 624

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The SGSPAA Group operates its businesses under two main brands, Jemena and Zinfra. A third brand, Ovida operates the unregulated electricity assets.

Directors' report

For the year ended 31 December 2024

The board of directors of SGSP (Australia) Assets Pty Ltd (the "Company") presents its report together with the consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2024 and the auditor's report thereon.

Directors
The directors of the Company for the year ended 31 December 2024 and up to the date of this report (unless otherwise stated) are listed below:

Mr Jiang Longhua (Chairman)
Mr David Gillespie
Mr Peng Sun (resigned 12 September 2024)
Ms Yanli Liu (appointed 13 September 2024)
Ms Jeanne Gueh Poh Tay
Mr Albert Yeuk Kuk Tse
Ms Yue Joo Chia
Ms Hui Chee Loong
Mr Warwick Leslie Smith

Principal activities
The Group owns and has interests in a portfolio of energy infrastructure assets and related businesses (operated under three brands, being Jemena, Zinfra and Ovida - with partially-owned interests operated under separate brands, United Energy and Evoenergy). Jemena is an investor in a portfolio of gas and electricity assets which is diversified in terms of geography and markets. Zinfra is a services business focused on delivering engineering, design and construction, as well as field based maintenance and operational services across gas and electricity utility infrastructure assets. Ovida offers energy solutions that enable customers to access and integrate renewable energy, primarily through long-term agreements where Ovida owns, installs and maintains rooftop solar panels.

Refer to the inside of the cover page for detailed description of the Group's principal activities.

Review of operations

	Consolidated	
	2024 $'000	**2023 $'000**
Net profit after tax	**330,571**	234,979

Dividends

	2024 $'000	2023 $'000
Dividends paid by the Company to its shareholders	**252,800**	159,300

Significant changes in the state of affairs
The Group continues to focus on opportunities to support the deployment of renewable gas in NSW and to evolve the Victorian electricity grid for a lower carbon future. As the external environment continues to evolve with changing energy market, policy, customer and competition dynamics, the Group will consider opportunities to invest to support the broader energy transition. Zinfra's skills, knowledge and experience will continue to be leveraged to meet the significant infrastructure demanded by the energy transition.

On 5 March 2024, there was a rupture on the Queensland Gas Pipeline (QGP) which impacted the pipeline's operations. Following an extensive work program, the pipeline returned to Maximum Allowable Operating Pressure on 9 December 2024, from which date full contracted flows were available to all QGP customers.

In addition, on 29 February 2024, the Company agreed the terms of a capital restructure in relation to the $800.0 million of Convertible Instruments (CI) that were entered into in 2015 with State Grid International Development Australia Investment Company Limited (SGIDAIC) and Singapore Power International Ltd (SPI).

As part of the capital restructure, on 20 June 2024, the $800.0 million face value of the CI was converted by SGIDAIC and SPI into fully paid ordinary shares in SGSPAA in proportion to their existing shareholding in the Company. This simplifies SGSPAA's capital structure, which now comprises a total of $4.0 billion of ordinary shares after the restructure, in addition to external funding arrangements.

In the opinion of the directors there were no other significant changes in the state of affairs of the Group during the year.

Matters subsequent to balance date

No matters or circumstances have arisen since balance date that significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future years.

Likely developments and expected results of operations

The Australian energy sector, while evolving, continues to enable the Group's strong and reliable returns as well as offer new opportunities. The Group aims to be a leader in energy infrastructure ownership and management. Further information on likely developments in the operations of the Group and the expected results of operations has not been included in this report because disclosure of the information may result in unreasonable prejudice to the Group.

Environmental regulation and performance

The Group is subject to environmental regulations under both Commonwealth and State legislation relating to assets in which the Group has an ownership interest and end services provided by the Group to third parties. The directors are not aware of any significant breaches regarding environmental regulations during the year ended 31 December 2024 or to the date of signing this report.

Insurance of directors and officers

The directors and officers of the Group are covered by a directors and officers insurance policy for liabilities and expenses arising as a result of their work, to the extent permitted by law. The nature of the liabilities insured against and the cost of the insurance premiums are confidential in accordance with the terms of the insurance contracts and normal commercial practice.

Auditor's independence declaration

A copy of the auditor's independence declaration, as required under *section 307C of the Corporations Act 2001,* is set out on page 3 and forms part of the Director's report for the year ended 31 December 2024.

Rounding of amounts

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Amounts in the financial statements have been rounded off in accordance with that instrument, unless otherwise stated.

Signed in accordance with a resolution of the board of directors:

Director: .....

David Gillespie

Director: .....

Jiang Longhua

Date: 20 March 2025

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of SGSP (Australia) Assets Pty Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of SGSP (Australia) Assets Pty Ltd for the financial year ended 31 December 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Gordon Sangster
Partner
Melbourne
20 March 2025

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Consolidated income statement

For the year ended 31 December 2024

	Notes	2024 $'000	2023 $'000
Revenue and other income	B1,B2,B3	**2,264,055**	1,891,163
Share of net profits of associate and joint venture	C3,C4	**97,813**	134,311
Employee benefits expense	B3, B6	**(676,122)**	(575,876)
Depreciation and amortisation expense	C1,C2,D7	**(400,838)**	(326,286)
Materials and services expense	B3	**(602,305)**	(502,737)
Operating profit		**682,603**	620,575
Finance income	D2	**9,209**	9,179
Finance costs	D2	**(228,014)**	(254,982)
Net finance costs		**(218,805)**	(245,803)
Profit before income tax	B5	**463,798**	374,772
Income tax expense	B4	**(133,227)**	(139,793)
Profit for the year		**330,571**	234,979
Attributable to:			
Owners of the Company		**330,571**	234,979

The above consolidated income statement should be read in conjunction with the accompanying notes.

Refer to note B1 for operating segment information.

Consolidated statement of comprehensive income

For the year ended 31 December 2024

	Notes	2024 $'000	2023 $'000
Profit for the year		**330,571**	234,979
Other comprehensive income/(loss)			
Items that will never be reclassified to profit or loss			
Defined benefit superannuation plan actuarial gain/(loss) before tax	B6	**4,506**	(943)
Tax on defined benefit superannuation plan actuarial (loss)/gain		**(1,352)**	283
Defined benefit superannuation plan actuarial gain/(loss) after tax		**3,154**	(660)
Items that are or may be reclassified to profit or loss			
Movement in hedging reserve before tax		**(40,901)**	(101,680)
Share of movement in associate hedging reserve	C3	**(5,906)**	(11,847)
Tax on movement in hedging reserve		**14,042**	34,058
Movement in hedging reserve after tax	D3	**(32,765)**	(79,469)
Other comprehensive loss for the year		**(29,611)**	(80,129)
Total consolidated comprehensive income for the year		**300,960**	154,850
Attributable to:			
Owners of the Company		**300,960**	154,850

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet

As at 31 December 2024

SGSP (Australia) Assets Pty Ltd
ABN 60 126 327 624

	Notes	2024 $'000	2023* Restated $'000
Current assets			
Cash at bank and in hand		**57,815**	30,889
Receivables	B7	**333,925**	295,050
Inventories		**82,612**	76,817
Derivative financial instruments	D3	**1,366**	1,327
Prepayments and deposits		**36,906**	34,170
Total current assets		**512,624**	438,253
Non-current assets			
Property, plant and equipment	C1	**8,329,707**	8,161,258
Intangible assets	C2	**1,728,541**	1,734,786
Investments in associate and joint venture	C3,C4	**1,587,530**	1,553,868
Right of use assets	D7	**56,534**	52,012
Lease receivable		**80,309**	90,889
Derivative financial instruments	D3	**575,864**	339,304
Defined benefit superannuation plans	B6	**54,654**	49,660
Total non-current assets		**12,413,139**	11,981,778
TOTAL ASSETS		**12,925,763**	12,420,031
Current liabilities			
Payables	B8	**214,529**	185,673
Provisions	B8	**177,834**	175,862
Interest bearing liabilities	D1	**614,388**	1,049,522
Income tax payable		**26,222**	117,555
Contract liabilities	B2	**195,895**	127,604
Derivative financial instruments	D3	**-**	142
Lease liabilities		**26,520**	23,173
Total current liabilities		**1,255,388**	1,679,531
Non-current liabilities			
Interest bearing liabilities	D1	**5,272,128**	5,186,795
Provisions	B8	**106,430**	120,943
Deferred tax	B4	**1,141,216**	1,110,288
Lease liabilities		**67,191**	78,323
Contract liabilities	B2	**15,009**	4,594
Derivative financial instruments	D3	**55,439**	74,755
Total non-current liabilities		**6,657,413**	6,575,698
TOTAL LIABILITIES		**7,912,801**	8,255,229
Net assets		**5,012,962**	4,164,802
Share capital	D5	**4,000,000**	3,200,000
Hedging reserve	D3	**148,459**	181,224
Retained earnings		**864,503**	783,578
TOTAL EQUITY		**5,012,962**	4,164,802

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

* The comparative information is restated on account of a change in accounting policy. Refer to note A(2)(a).

Consolidated statement of changes in equity

For the year ended 31 December 2024

2024	Notes	Share capital $'000	Hedging reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2024		**3,200,000**	**181,224**	**783,578**	**4,164,802**
Profit for the year		-	-	**330,571**	**330,571**
Other comprehensive (loss)/income					
Hedging reserve movement, net of tax	D3	-	**(32,765)**	-	**(32,765)**
Defined benefit superannuation plan actuarial gain, net of tax		-	-	**3,154**	**3,154**
Total other comprehensive income/(loss)		-	**(32,765)**	**3,154**	**(29,611)**
Total comprehensive (loss)/income for the year		-	**(32,765)**	**333,725**	**300,960**
Transactions with the owners of the Company recognised directly in equity					
Conversion of Convertible Instruments	D5	**800,000**	-	-	**800,000**
Dividends paid to shareholders: $0.07 per share	E1	-	-	**(252,800)**	**(252,800)**
		800,000	-	**(252,800)**	**547,200**
Balance at 31 December 2024		**4,000,000**	**148,459**	**864,503**	**5,012,962**

2023	Notes	Share capital $'000	Hedging reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2023		3,200,000	260,693	708,559	4,169,252
Profit for the year		-	-	**234,979**	**234,979**
Other comprehensive loss					
Hedging reserve movement, net of tax	D3	-	**(79,469)**	-	**(79,469)**
Defined benefit superannuation plan actuarial loss, net of tax		-	-	**(660)**	**(660)**
Total other comprehensive loss		-	**(79,469)**	**(660)**	**(80,129)**
Total comprehensive (loss)/income for the year		-	**(79,469)**	**234,319**	**154,850**
Transactions with the owners of the Company recognised directly in equity					
Dividends paid to shareholders: $0.05 per share	E1	-	-	**(159,300)**	**(159,300)**
		-	-	**(159,300)**	**(159,300)**
Balance at 31 December 2023		3,200,000	181,224	783,578	4,164,802

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

Consolidated cash flow statement

For the year ended 31 December 2024

SGSP (Australia) Assets Pty Ltd
ABN 60 126 327 624

		2024 $'000	2023 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**2,481,217**	2,020,617
Payments to suppliers and employees		**(1,460,087)**	(1,248,954)
Income taxes paid		**(180,941)**	(40,718)
Interest received		**2,206**	2,028
Net cash inflow from operating activities	B5	**842,395**	732,973
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment and intangibles		**(542,863)**	(502,796)
Proceeds from sale of property, plant and equipment		**26,825**	1,179
Dividends and distributions received from investments		**57,183**	61,536
Net cash outflow from investing activities		**(458,855)**	(440,081)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	D6	**1,147,648**	2,073,794
Repayment of borrowings	D6	**(994,000)**	(1,894,446)
Payment of lease liabilities	D6	**(32,327)**	(30,063)
Interest paid		**(219,004)**	(292,053)
Dividends paid	E1	**(252,800)**	(159,300)
Debt issuance costs		**(6,131)**	(6,990)
Net cash outflow from financing activities		**(356,614)**	(309,058)
Net increase/(decrease) in cash and cash equivalents		**26,926**	(16,166)
Cash and cash equivalents at the beginning of the year		**30,889**	47,055
Cash and cash equivalents at the end of the year		**57,815**	30,889

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

Cash and cash equivalents comprise cash deposits at call.

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SECTION A ABOUT THIS REPORT

A1 Basis of preparation

SGSP (Australia) Assets Pty Ltd ("the Company") is a for-profit company domiciled in Australia. The address of the Company's registered office and principal place of business is Level 16, 567 Collins Street, Melbourne, VIC 3000. These consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries (collectively "the Group"). The comparative figures are for the year ended 31 December 2023.

The Group primarily consists of two operating businesses, an assets business and a services business. The assets business has ownership interests in a number of regulated and unregulated assets in the Australian energy sector. The services business provides services to the Australian utility infrastructure sectors and adjacent markets. Refer to the inside of the cover page for detailed description of the Group's principal activities.

(a) Going concern basis of accounting

These financial statements have been prepared on a going concern basis, which contemplates the Group continuing in operation for the foreseeable future.

The Group's current liabilities exceed its current assets by $742.8 million, mainly due to the nature of the business and the classification of debt facilities that are set to mature in 2025. The Group's working capital, investing and financing requirements are being actively managed through operating cashflows and utilisation of debt facilities. The Group has access to unused debt facilities of $712.4 million (refer to note D4(d)), all of which are available for more than 12 months from the date of authorisation of these financial statements.

The Group has historically generated positive operating cash flows, traded profitably and has a proven track record of successful refinancing of debt facilities. Accordingly, on the basis of present forecasts for positive future operating cash flows, the ability of the Group to manage its investing activities and the current status of refinancing activities for debt facilities which mature over the next twelve months, the directors believe that the going concern basis of preparation is appropriate.

(b) Statement of compliance

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board and the *Corporations Act 2001.* These financial statements also comply with International Financial Reporting Standards adopted by the International Accounting Standards Board.

These financial statements were authorised for issue by the board of directors on 20 March 2025.

(c) Basis of measurement

These financial statements have been prepared under the historical cost convention, with the exception of defined benefit superannuation plans, customer contributions of assets, derivative financial instruments and borrowings in fair value hedge relationships, which are measured at fair value.

(d) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's and each Group entity's functional currency. The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.* Amounts in these financial statements have been rounded off in accordance with that instrument to the nearest thousand dollars, unless otherwise stated.

(e) Material accounting policies

The material accounting policies adopted in the preparation of these financial statements are consistent between the periods, except if mentioned otherwise.

SECTION A ABOUT THIS REPORT

A2 Material accounting policies

Material accounting policies adopted in the preparation of these financial statements are disclosed throughout the report and below are policies not listed elsewhere:

(a) Changes in material accounting policies
The Group has adopted Classification of Liabilities as Current or Non-current (*Amendments to AASB 2020-1*) and Non-current Liabilities with Covenants (*Amendments to AASB 2022-6*) from 1 January 2024. The amendments apply retrospectively. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period. This resulted in a change in the accounting policy for the classification of liabilities that can be settled in a Group entity's own shares (e.g. convertible instruments issued by a Group entity). Previously, the Group excluded all counterparty conversion options when classifying the related liabilities as current or non-current. Under the new accounting policy, when a liability includes a counterparty conversion option whereby the liability may be settled by a transfer of a Group entity's own shares, the Group takes into account the conversion option in classifying the host liability as current or non-current unless the option is classified as equity under AASB 132.

Following the change in accounting policy, the Convertible Instruments (CI) amounting to $800.0 million as at 31 December 2023 were reclassified from non-current to current. This reclassification reflects the fact that the conversion option could be exercised by the shareholders within 12 months after the reporting period. The CI were converted into equity on 20 June 2024 (refer to note D5). The Group's other liabilities were not impacted by the amendments.

(b) New accounting standards and interpretations not yet adopted
A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however the Group has not early adopted the new or amended standards in preparing these financial statements.

(i) AASB 118 Presentation and Disclosure in Financial Statements
AASB 118 will replace *AASB 101 Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change;
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements; and
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

AASB 118 will have no impact on the Group's net profit. The changes will effect the way the Group presents the results on the face of the income statement, cash flow statements and discloses information in notes will be altered.

(ii) Other accounting standards
The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements:

- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a sale and leaseback
- AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability
- AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements

A3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make estimates and judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and judgements are based on past experience and various other factors that are believed to be reasonable judgements under the circumstances. Actual results may differ. The estimates and judgements are reviewed on an ongoing basis. Changes to accounting estimates are recognised prospectively.

The estimates and judgements that are significant to these financial statements are disclosed within each note.

SECTION B OPERATIONS AND PERFORMANCE

B1 Operating segments

(a) Accounting policy

Segment results reflect those that are reported to the Board for the purpose of making decisions about resources to be allocated to the segments and assessing performance. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment results include transactions between segments primarily from the services business servicing the assets business. Such transactions, including any unrealised gains, are eliminated on consolidation.

(b) Operating segments

The Group operates in one geographical segment, which is Australia. The Group comprises the following operating segments:

(i) Electricity distribution

The electricity distribution network delivers electricity from the high voltage transmission network to end users. The Group charges retailers and some large customers regulated rates for the use of the distribution network. The electricity distribution segment does not purchase or sell electricity in the ordinary course of business. This segment includes the Group's investment in the associate and investment in the joint venture (as proportionate to electricity distribution activities).

(ii) Gas distribution

The gas distribution network delivers natural gas to commercial and residential end users. The Group charges retailers and some large customers regulated rates for the use of the distribution network. The gas distribution segment does not sell gas in the ordinary course of business. This segment includes the Group's investment in the joint venture (as proportionate to gas distribution activities).

Revenue from one major customer of the Group's gas distribution segment represents $191.3 million (year ended 31 December 2023: $164.2 million) of the Group's total revenue for the year.

(iii) Gas pipelines

The gas transmission pipelines segment transports gas and earns revenue from these services at contracted rates negotiated on arm's length terms.

(iii) Gas processing

The gas processing assets provide gas compression, processing and transportation services to customers and earn revenue from these services at contracted rates negotiated on arm's length terms.

(iv) Services business - Zinfra

Zinfra provides engineering and design, project management, construction, civil, maintenance and asset operations services to the Australian utility infrastructure sectors and adjacent markets, including to other operating segments within the Group.

(v) All other segments

All other segments include contracts for asset management services to Australian utility infrastructure customers (by group entities other than Zinfra) and corporate costs not allocated to identified segments.

SECTION B OPERATIONS AND PERFORMANCE

(c) Segment performance

	Notes	Electricity distribution		Gas distribution		Gas pipelines **		Gas processing **		Services business - Zinfra		All other segments		Inter-segment eliminations		Total	
		2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Operating profit		**332,837**	327,600	**232,918**	190,099	**108,984**	104,618	**12,998**	15,011	**41,437**	42,055	**(15,006)**	(40,340)	**(31,565)**	(18,456)	**682,603**	620,575
Revenue and other income	B2(c)	**579,949**	518,970	**638,838**	528,676	**215,970**	226,202	**147,552**	112,424	**1,207,499**	984,941	**27,307**	27,608	**(553,060)**	(507,615)	**2,264,055**	1,891,163
Revenue		**570,431**	**500,483**	**613,358**	**526,228**	**215,970**	**226,202**	**147,552**	**112,424**	**1,207,246**	**984,941**	**27,307**	**24,696**	**(553,060)**	**(507,615)**	**2,228,804**	**1,867,316**
Gas and electricity distribution revenue		**447,746**	389,566	**528,125**	448,469	**-**	-	**-**	**-**	**-**	-	**-**	-	**-**	-	**975,871**	838,035
Gas transmission revenue		**-**	-	**-**	-	**215,970**	226,202	**147,552**	112,424	**-**	-	**-**	-	**-**	-	**363,522**	338,583
Infrastructure services revenue		**122,685**	110,917	**85,233**	77,759	**-**	-	**-**	**-**	**1,207,246**	984,941	**27,307**	24,696	**(553,060)**	(507,615)	**889,411**	690,698
Other income		**9,518**	18,487	**25,480**	2,448	**-**	-	**-**	**-**	**253**	-	**-**	2,912	**-**	-	**35,251**	23,847
Share of net profits of associate and joint venture *	C3 C4	**84,092**	121,992	**13,721**	12,319	**-**	-	**-**	**-**	**-**	-	**-**	-	**-**	-	**97,813**	134,311
Depreciation and amortisation expense	C1 C2 D7	**(103,237)**	(99,194)	**(161,942)**	(110,949)	**(54,726)**	(44,916)	**(55,756)**	(55,338)	**(22,017)**	(20,512)	**(4,886)**	2,563	**1,726**	2,060	**(400,838)**	(326,286)
Finance income	D2	**407**	373	**207**	179	**7**	26	**3,302**	3,402	**2,485**	2,210	**2,801**	2,989	**-**	-	**9,209**	9,179
Finance costs	D2	**(83,410)**	(83,638)	**(89,429)**	(100,470)	**(20,734)**	(27,301)	**(30,578)**	(38,606)	**(3,276)**	(3,489)	**(587)**	(1,477)	**-**	-	**(228,014)**	(254,982)
Acquisition of property, plant and equipment and intangibles	C1 C2	**307,546**	252,328	**210,554**	206,271	**30,049**	53,881	**4,989**	635	**23,207**	8,332	**10,012**	8,339	**(29,263)**	(16,133)	**557,094**	512,710

* Included within the share of profit is feed-in tariff ("FIT") of ($24.9) million (post-tax), reflecting the handback of over-recovery in previous years, partly offset with the under-recovery in the current year (CY23:$17.4 million under-recovery). Refer to Note C4(d) for details.

** Effective 1 March 2024, amendments to the National Gas Law require the Group to operate its gas transmission pipelines and gas processing assets as separate business units. Consequently, the Group has implemented a functionally separate operating model, distinguishing gas processing assets from gas pipelines. As a result, two new operating segments 'Gas pipelines' and 'Gas processing' have been added to the Group. These operating segments were previously reported as 'Gas transmission'. Operating segments are components of the Group for which separate financial information is available and evaluated regularly by the group's chief operating decision maker to decide how to allocate resources and how performance is assessed. Due to the internal restructure the Group has re-evaluated the segment disclosure to align with internal reporting. In accordance with AASB 8, the comparative information information has been restated to align with the revised segments.

SECTION B OPERATIONS AND PERFORMANCE

B2 Revenue and other income

(a) Accounting policy

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue at a point in time or over time, when or as it satisfies performance obligations by transferring control over a promised product or service to a customer.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations. Similarly, if the Group satisfies a performance obligation before it receives consideration, the Group recognises either a contract asset or a receivable on its balance sheet, depending on whether something other than the passage of time is required before the consideration becomes unconditional.

The Group owns and has interests in a portfolio of energy infrastructure assets and related businesses, all operating in its country of domicile, Australia.

Revenue is recognised for customer contracts as follows:

(i) Gas and electricity distribution revenue
Revenue is earned from the distribution of gas and electricity and related services. Revenue is recognised at a point in time, as the services are rendered i.e. on delivery, and incorporates usage estimation where necessary. Credit terms are as stated in note B7(d).

A significant proportion of the Group's distribution services revenue is subject to economic regulation that seeks to determine either prices or revenue outcomes. In these financial statements regulated revenue is recognised as volumes multiplied by the agreed tariffs for the relevant period. Any differences to the regulated outcome are reflected in subsequent reporting periods via actual tariff changes.

(ii) Gas transmission
Revenue is earned from the actual and contracted transmission of gas. Revenue is recognised at a point in time as the services are rendered i.e. on actual/contracted delivery and incorporate usage estimation where necessary. Credit terms are as stated in note B7(d).

(iii) Infrastructure services revenue
Revenue is earned through provision of engineering and design, project management, construction, civil, maintenance and asset operations services. Credit terms are as stated in note B7(d).

For contracts with variable consideration, variable consideration is determined using the expected value or most likely outcome - whichever method is a better prediction of the final outcome. The estimation of the variable consideration amount is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Where the performance obligation is satisfied over time, the input method (i.e. costs incurred) is used to measure progress towards the satisfaction of performance obligations. The costs incurred on contracts are assessed to ensure that they are proportionate to the progress in satisfying the performance obligation. Given the type of contracts executed in the Group, the input method is deemed the most appropriate method as it measures the costs expended to satisfy the obligation.

Revenue is recognised when, or as the performance obligation is satisfied. Revenue is recognised either over time (where the customer receives and consumes all of the benefits provided as work is being performed) using the stage of completion method, or at a point in time (where control is passed on to the customer at a certain point in time).

Consideration received in advance of providing the service is treated as unearned and presented as a contract liability.

Revenue from other income is described as follows:

(i) Dividends and distributions
Dividends and distributions are recognised as revenue when the right to receive payment is established.

Dividends received from associates and distributions received from joint ventures are accounted for in accordance with the equity method of accounting (refer to note C3(a)).

(ii) Other income
Other income mainly includes interest from redeemable preference shares recognised using the effective interest method and gains on sale of property.

SECTION B OPERATIONS AND PERFORMANCE

(b) Critical accounting estimates and judgements

(i) Energy delivery

Estimates are made where required to account for the period between the meter reading date and the end of the accounting period. The estimates are made based on factors including historical consumption patterns, base usage and weather conditions.

(ii) Infrastructure services

Reliably measuring the outcome and the stage of completion of contracts involves a level of estimation of a range of factors that are subject to risk and uncertainty. The estimates and judgements relate to forecast revenue and costs to complete, stage of project completion, and the recoverability of unapproved variations, claims and disputes.

The carrying amount of contract assets is set out in note B7.

(c) Disaggregation of revenue

Refer to operating segment note B1(c).

(d) Timing of revenue recognition

	2024 $'000	2023 $'000
Goods/services transferred at a point in time	**1,503,262**	1,305,913
Goods/services transferred over time	**725,542**	561,403
Revenue	**2,228,804**	1,867,316

(e) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	2024 $'000	2023 $'000
Invoiced trade receivables (refer to note B7(c))	**123,109**	89,470
Contract assets (refer to note B7(c))	**186,005**	184,585
Contract liabilities	**(210,904)**	(132,198)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognised when the performance obligation is satisfied. The amount of $76.9 million recognised in contract liabilities at the beginning of the year has been recognised as revenue for the year ended 31 December 2024 ($82.6 million for the year ended 31 December 2023).

B3 Significant items disclosure

	2024 $'000	2023 $'000
Other income, employee benefits, materials and services expenses include:		
Gain on sale of property	**25,478**	-
Net loss on disposal of plant and equipment	**(13,378)**	(13,170)
Efficiency program costs *	**(10,050)**	-
Costs associated with one-off asset incidents **	**(9,200)**	-

SECTION B OPERATIONS AND PERFORMANCE

* Representing expenses related to various initiatives designed to optimise the operating model.

** Reflecting costs in response to the following incidents:

- QGP rupture: On 5 March 2024, there was a rupture on the Queensland Gas Pipeline (QGP) which impacted the pipeline's operations. Following an extensive work program the pipeline returned to Maximum Allowable Operating Pressure on 9 December 2024, from which date full, contracted flows were available to all QGP customers.
- The Group responded to a suspected gas incident impacting a townhouse in the Sydney suburb of Whalan in June 2024. Following this incident there was an unprecedented increase in customer reported leaks and subsequent response across the network.

B4 Taxation

(a) Accounting policy

(i) Tax consolidation

The Company is the head entity in the SGSP (Australia) Assets Pty Ltd tax consolidated group ("tax group") comprising the Company and its wholly owned Australian tax resident subsidiaries. Entities that are not 100% owned and entities that are not residents for Australian tax purposes are generally treated as separate single tax entities.

(ii) Income tax expense or benefit

Income tax expense or benefit comprises current and deferred tax, using tax rates and legislation enacted or substantively enacted as at balance date. Income tax expense or benefit is recognised in the income statement, or in other comprehensive income to the extent that it relates to items recognised there.

(iii) Current tax

Current tax is the expected tax on the taxable income for the year and any adjustment to tax payable or receivable in respect to previous years.

(iv) Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Temporary differences are not provided for the initial recognition of goodwill, or the initial recognition of assets and liabilities that affect neither accounting profit nor taxable income. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

A deferred tax asset is recognised only to the extent that it is probable that future taxable income will be available against which the asset can be utilised. A deferred tax asset is derecognised to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the tax group intends to settle its tax assets and liabilities on a net basis.

The Company has applied the exception to recognising and disclosing information about deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Company has not recognised, or disclosed information about, deferred tax assets and liabilities relating to Pillar Two income taxes.

(v) Goods and Services Tax ("GST")

Revenue, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included within other receivables or other payables in the balance sheet.

(b) Critical accounting estimates and judgements

The tax expense and deferred tax balances are in reference to income tax legislation, aspects of which are subject to interpretation and judgement. These interpretations and judgements are subject to risk and uncertainty and changes in circumstances may alter possible outcomes in relation to tax matters.

An audit in relation to the Company's CI was concluded with the Australian Taxation Office ("ATO") during the year, resulting in the release of all uncertain tax provisions.

SECTION B OPERATIONS AND PERFORMANCE

(c) Income tax expense

	2024 $'000	2023 $'000
Current tax expense		
Current year	**(89,525)**	(100,264)
Adjustments for prior years	**(84)**	12,856
Deferred tax expense		
Origination and reversal of temporary differences	**(43,769)**	(39,561)
Adjustments for prior years	**151**	(12,824)
Total income tax expense	**(133,227)**	(139,793)

(d) Reconciliation of income tax expense to prima facie tax payable

	2024 $'000	2023 $'000
Profit before income tax	**463,798**	374,772
Prima facie tax expense at the Australian tax rate of 30% (2023 - 30%)	**(139,139)**	(112,432)
Tax effect of amounts which are not assessable / (deductible) in calculating taxable income:		
Net franking credit offset from franked dividends received	**4,713**	-
Non-assessable income:		
- Other	**1,132**	-
Non-deductible expenses:		
- CI audit provision	**-**	(14,706)
- CI interest expenses	**-**	(12,199)
- Other	**-**	(488)
Over provision in respect of prior year	**67**	32
Total income tax expense	**(133,227)**	(139,793)

(e) Franking credit account

The tax effected franking credit balance as at 31 December 2024 is $127.2 million (2023 franking credit: $29.1 million).

(f) Deferred tax liability / (asset)

The balance comprises the tax effect of temporary differences attributable to:

	Opening Balance $'000	Charged to Income $'000	Charged to Equity $'000	Closing Balance $'000
2024				
Property, plant and equipment	**1,057,960**	**28,115**	**-**	**1,086,075**
Intangible assets	**13,492**	**(2,094)**	**-**	**11,398**
Financial assets	**127,054**	**16,424**	**(14,042)**	**129,436**
Employee provisions	**(45,620)**	**(4,476)**	**-**	**(50,096)**
Defined benefits	**14,898**	**146**	**1,352**	**16,396**
Restoration provisions	**(5,098)**	**474**	**-**	**(4,624)**
Decommisioning provisions	**(25,367)**	**5,082**	**-**	**(20,285)**
Other items**	**(27,031)**	**(53)**	**-**	**(27,084)**
	1,110,288	**43,618**	**(12,690)**	**1,141,216**

** Other items mainly include deferred tax for lease liabilities and various other provisions and accruals.

SECTION B OPERATIONS AND PERFORMANCE

	Opening Balance $'000	Charged to Income $'000	Charged to Equity $'000	Closing Balance $'000
2023				
Property, plant and equipment	988,711	69,249	-	1,057,960
Intangible assets	19,167	(5,675)	-	13,492
Financial assets	167,056	(5,944)	(34,058)	127,054
Employee provisions	(42,228)	(3,392)	-	(45,620)
Defined benefits	15,141	40	(283)	14,898
Restoration provisions	(4,644)	(454)	-	(5,098)
Decommisioning provisions	(28,705)	3,338	-	(25,367)
Other items**	(22,254)	(4,777)	-	(27,031)
	1,092,244	52,385	(34,341)	1,110,288

** Other items mainly include deferred tax for lease liabilities and various other provisions and accruals.

Tax effect of unrecognised temporary differences

	2024 $'000	2023 $'000
Capital investment in associate	**10,705**	10,705

B5 Reconciliation of result for the year to net cash flows from operating activities

	2024 $'000	**2023 $'000**
Profit before income tax	**463,798**	374,772
Non-cash flows in profit:		
Depreciation and amortisation	**400,838**	326,286
Defined benefit superannuation plans - service costs	**2,776**	3,149
Non-operating activities:		
Share of profit of associate and joint venture	**(97,813)**	(134,311)
Finance income	**(9,209)**	(9,179)
Finance costs including economic hedges	**228,014**	254,982
Gain on sale of property	**(25,478)**	-
Loss on disposal of plant and equipment	**13,378**	13,170
Exchange differences - unrealised	**119**	416
Changes in assets and liabilities:		
Increase in receivables and other current assets	**(31,031)**	(85,296)
Increase in inventories	**(5,795)**	(11,332)
Decrease in payables, provisions, contract liabilities and lease liabilities	**81,533**	39,006
Interest received	**2,206**	2,028
Income taxes paid	**(180,941)**	(40,718)
Net cash inflow from operating activities	**842,395**	732,973

SECTION B OPERATIONS AND PERFORMANCE

B6 Employee costs and defined benefit superannuation plans

(a) Employee benefits expense

	2024 $'000	2023 $'000
Defined benefit superannuation plans - service costs	**(2,776)**	(3,149)
Defined contribution superannuation expenses	**(51,478)**	(42,777)
Other employee benefit expenses	**(621,868)**	(529,950)
Total employee benefits expense	**(676,122)**	(575,876)

(b) Accounting policy

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of balance date are recognised as provisions in respect of employees' services up to balance date and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. Non-vesting sick leave is recognised in the income statement when the leave is taken and measured at the rates paid or payable.

Annual leave that is not expected to be settled within 12 months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

The provision for annual leave is classified as a current liability as the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(ii) Long service leave

The liability for long service leave entitled to be settled within 12 months of balance date is recognised in the current provision for employee benefits and is measured in accordance with the measurement principles described for annual leave above. The liability for long service leave entitled to be settled more than 12 months from balance date is recognised in the non-current provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to balance date.

(iii) Superannuation plans

Defined benefit superannuation plans:

The Group's net asset/liability in respect of defined benefit superannuation plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior years, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited by the asset ceiling to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit superannuation plans asset/liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. Net interest income/expense and other expenses related to defined benefit superannuation plans are recognised in the income statement. The Group determines the net interest income/expense by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the net defined benefit superannuation plans asset/liability at the beginning of the year, taking into account any expected contributions and benefit payments.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the income statement. The Group recognises gains and losses on the settlement of a defined benefit superannuation plan when the settlement occurs.

Defined contribution superannuation plans:

Obligations for contributions to defined contribution superannuation plans are recognised as an expense in the income statement in the periods during which the services are rendered by the employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

SECTION B OPERATIONS AND PERFORMANCE

(iv) Incentive plans

A liability for employee benefits in the form of bonus plans is recognised in provisions when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- There are formal terms in the plan for determining the amount of the benefit;
- The amounts to be paid are determined before the time of completion of the financial report; or
- Past practice gives clear evidence of the amount of the obligation.

(v) Termination benefits

Liabilities for termination benefits, not in connection with the acquisition of an entity or operation, are recognised when a detailed plan for the terminations has been developed and a valid expectation has been raised for those employees affected that the terminations will be carried out.

(vi) Employee benefit on-costs

Employee benefit on costs, including payroll tax, workers' compensation and superannuation guarantee contribution, are recognised and included in employee benefit liabilities and expenses when the employee benefits to which they relate are recognised as liabilities or expenses.

(c) Critical accounting estimates and judgements

(i) Annual leave and long service leave

When assessing expected future payments of annual and long service leave consideration is given to employee wage increases as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on Australian corporate bonds with terms to maturity that match the expected timing of cash outflows.

(ii) Defined benefits

The present value of the defined benefit obligations and the net expense for defined benefit superannuation plans depends on a number of factors that are determined on an actuarial basis using principal assumptions set out in section B6(j), subject to risks set out in section B6(k), with sensitivities to the assumptions set out in section B6(l).

(d) Defined benefit superannuation plans

The Group makes contributions to one Mercer Investment Nominees Limited ("Equipsuper") defined benefit superannuation plan and one Russell Investment Group ("Russell") defined benefit superannuation plan. The plans provide defined benefit amounts to employees or their dependents upon retirement, death, disablement or withdrawal. Benefits are mostly in the form of a lump sum payment based on the employee's final average salary although some defined benefit members are also eligible for pension benefits. The terms and conditions of the two plans are consistent. The plans operate under the regulatory framework provided by the Superannuation Industry (Supervision) legislation. The plans' Trustees are responsible for the governance of the plans and have a legal obligation to act solely in the best interests of the beneficiaries. The trustees are responsible for administration of the plans and payments to beneficiaries, management and investment of the plan assets and compliance with superannuation law and other applicable regulations. The defined benefit sections of the plans are closed to new members.

Actuarial valuations of the funds as at 31 December 2024 and 31 December 2023 were performed resulting in the information set out below:

(e) Balance sheet amounts

The amounts included in the balance sheet arising from the Group's obligations in respect of its defined benefit superannuation plans are as follows:

	2024 $'000	2023 $'000
Present value of funded defined benefit obligations	**(128,941)**	(133,139)
Fair value of plan assets	**183,595**	182,799
Present value of net assets	**54,654**	49,660

SECTION B OPERATIONS AND PERFORMANCE

(f) Categories of plan assets

The analysis of the plan assets by category is as follows:

	2024 %	2023 %
Australian equities	**21.3**	18.2
International equities	**27.7**	23.7
Fixed income	**10.2**	10.0
Property	**4.2**	4.3
Cash	**7.2**	15.4
Growth alternatives	**17.0**	17.4
Defensive alternatives	**12.4**	11.0
	100.0	100.0

The fair value measurement of plan assets (refer to note F1) uses a level 2 fair value hierarchy that reflects the significance of the inputs used in making the measurements. Fair value is measured using valuation techniques with significant observable inputs such as investment fund valuations.

(g) Reconciliations

	2024 $'000	2023 $'000
Present value of funded defined benefit obligation		
Opening defined benefit obligation	**(133,139)**	(142,072)
Service cost	**(2,776)**	(3,149)
Interest cost	**(7,414)**	(7,526)
Contributions by plan participants	**(1,638)**	(1,393)
Actuarial (losses)/gains	**(8,302)**	1,286
Benefits paid by the plan	**24,328**	19,715
Closing defined benefit obligation	**(128,941)**	(133,139)
Fair value of plan assets		
Opening fair value of plan assets	**182,799**	192,541
Interest income	**9,885**	9,888
Return on plan assets less interest income	**12,808**	(2,229)
Contributions from the employer	**793**	921
Contributions by plan participants	**1,638**	1,393
Benefits paid	**(24,328)**	(19,715)
Closing fair value of plan assets	**183,595**	182,799

The actual return on plan assets for the year was a gain of $22.7million (year ended 31 December 2023: gain of $7.7 million).

(h) Amounts recognised in the income statement

The amounts recognised in the income statement in respect of these defined benefit superannuation plans are as follows:

	2024 $'000	2023 $'000
Service cost	**(2,776)**	(3,149)
Net interest income	**2,471**	2,362
Total expense included in the income statement	**(305)**	(787)

SECTION B OPERATIONS AND PERFORMANCE

(i) Amounts recognised in other comprehensive income

The amounts recognised in other comprehensive income are as follows:

	2024 $'000	2023 $'000
Actuarial loss before tax recognised in other comprehensive income	**4,506**	(943)
Cumulative actuarial losses before tax recognised in retained earnings	**(6,632)**	(11,138)

(j) Principal actuarial assumptions

The principal actuarial assumptions are set out below:

	Russell		Equipsuper	
	2024 %	2023 %	**2024 %**	2023 %
Discount rate (active members)	**5.2**	5.9	**5.2**	6.0
Discount rate (pensioners)	**N/A**	N/A	**2.5**	2.5
Expected long term salary increase rate	**3.5**	3.5	**3.5**	3.5
Expected pension increase rate (per annum)	**N/A**	N/A	**3.5% for first year, 2.5% thereafter**	3.5% for first year, 2.5% thereafter
Weighted average duration of the defined benefit obligation (in years)	**3.9**	4.0	**6.0**	7.0

(k) Risks

There are a number of risks to which the plans expose the Group. The more significant risks relating to the defined benefits are:

Investment risk: the risk that investment returns will be lower than assumed and the Group will need to increase contributions to offset this shortfall.

Salary growth risk: the risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit obligations and thereby requiring additional employer contributions.

Legislative risk: the risk that legislative changes could be made which increase the cost of providing the defined benefits.

Pension risks: firstly, the risk that pensioner mortality will be lower than expected, resulting in pensions being paid for a longer period. Secondly, that a greater proportion of eligible members elect to take a pension benefit, which is generally more valuable than the corresponding lump sum benefit. Thirdly, the risk that inflation is higher than anticipated, increasing pension payments, and thereby requiring additional employer contributions.

(l) Sensitivity analysis

Reasonably possible changes at balance date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Increase/(decrease) to defined benefit obligation	
Defined benefit obligation	**2024 $'000**	2023 $'000
Discount rate (0.5% higher)	**(2,578)**	(2,845)
Discount rate (0.5% lower)	**2,767**	3,050
Salary increase rate (0.5% higher)	**2,060**	2,365
Salary increase rate (0.5% lower)	**(1,658)**	(2,224)

SECTION B OPERATIONS AND PERFORMANCE

(m) Employer contributions

Employer contributions to the defined benefit superannuation plans are based on recommendations by the plans' actuaries. The target funding method is used to determine the contribution rates. Under this method, the employer contribution rate is set to meet a 105% funding target.

Per the actuaries' 2024 reports, total minimum employer contributions to be paid by the Group for the year ending 31 December 2025 are nil. However, the Group may continue to contribute to assist in protecting the financial position of the plan.

B7 Receivables

(a) Accounting policy

Receivables are generally non-interest bearing and stated at amortised cost using the effective interest method, following their initial recognition at fair value. The recoverability of receivables is assessed on an periodic basis and at balance date. The Group applies the AASB 9 simplified approach to measuring expected credit losses for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses.

The carrying amount of receivables is reduced through the use of an allowance account for impaired receivables and any expected loss is immediately expensed in the income statement. The amount of any impairment loss is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the receivable's original effective interest rate. When a receivable is considered uncollectible it is written off against the allowance account. Subsequent recoveries of amounts previously written off, and impairment reversals based on objective evidence, are credited against the income statement.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Monitoring of contracted retailers in Gas and Electricity Distribution, Gas Pipelines and Gas Processing and major contract debtors via an external consumer and credit risk registry continued throughout 2024, with the Group receiving updates within 24 hours of changes in ownership, directors or any adverse impacts on particular debtors. A secondary process including notifying relevant parts of the business about negative notifications, reviewing and following up all outstanding debts (if needed) is in place.

The default rate and bad debt write offs continue to be lower than the industry benchmark.

(b) Critical accounting estimates and judgements

For estimates and judgements relating to contract assets refer to note B2(b).

(c) Summary

	2024 $'000	2023 $'000
Trade receivables	**110,278**	78,449
Trade receivables from related parties	**12,831**	11,021
Total invoiced trade receivables	**123,109**	89,470
Allowance for impairment loss	**(4,371)**	(4,332)
Contract assets	**161,639**	149,977
Contract assets due from related parties	**24,366**	34,608
Total contract assets	**186,005**	184,585
Allowance for impairment loss	**-**	(251)
Total trade receivables	**304,743**	269,472
Other receivables from related parties	**6,120**	6,120
Other receivables	**23,062**	19,458
Total receivables	**333,925**	295,050

SECTION B OPERATIONS AND PERFORMANCE

(d) Terms and conditions

The average credit terms vary depending on the nature of the accounts receivable balance:

- related parties: 7 to 14 days;
- retailers: 10 days; and
- other external customers: 20 to 30 days.

(e) Ageing of total invoiced trade receivables

	2024 $'000	2023 $'000
Not past due	**102,666**	64,373
Past due not impaired: 0 - 30 days	**9,249**	13,661
Past due not impaired: 31 - 60 days	**2,718**	1,973
Past due not impaired: more than 61 days	**4,105**	5,131
Past due considered impaired	**4,371**	4,332
Total invoiced trade receivables	**123,109**	89,470

Total invoiced trade receivables past due not considered impaired are $16.1 million (2023: $20.8 million). Payment terms on these amounts have not been renegotiated.

(f) Impairment of receivables

Movements in the provision for impairment of receivables are as follows:

	2024 $'000	2023 $'000
Opening balance	**4,583**	3,612
Additional allowance recognised	**2,628**	2,829
Amounts utilised	**(2,840)**	(1,858)
	4,371	4,583

Fair value and credit risk

Due to the short term nature and collectability of the receivables, the carrying amount approximates fair value. The maximum exposure to credit risk is the carrying amount of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to other entities.

Significant changes in credit risk since initial recognition of contract assets generally arise when claims are subject to negotiation or in dispute with customers. Total contract assets subject to negotiation or in dispute as at 31 December 2024 is nil (2023: nil).

B8 Payables, provisions and contingent liabilities

(a) Payables accounting policy

Payables represent liabilities for goods and services provided to the Group prior to balance date that are unpaid. Payables are stated at amortised cost and are generally non-interest bearing.

Foreign currency transactions

Transactions in foreign currencies are translated into the Group’s functional currency using the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at balance date. Foreign currency differences arising on translation are recognised in the income statement, except for differences arising on the translation of qualifying cash flow hedges, which are recognised in other comprehensive income.

(b) Payables summary

	2024 $'000	2023 $'000
Trade and other payables	**87,115**	66,916
Accrued expenses	**75,850**	73,853
Interest payable	**51,564**	44,904
Total payables	**214,529**	185,673

SECTION B OPERATIONS AND PERFORMANCE

(c) Provisions accounting policy

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance costs.

(d) Provisions related critical accounting estimates and judgements

(i) Decommissioning provisions

Estimating future decommissioning costs involves considerable judgement based on the estimated current cost of detailed plans prepared.

(e) Provisions summary

	Current		Non-current	
	2024 $'000	2023 $'000	**2024 $'000**	2023 $'000
Employee benefits	**152,291**	140,175	**14,695**	11,893
Restoration	**5,145**	6,481	**10,269**	10,511
Decommissioning	**-**	-	**67,616**	84,555
Other	**20,398**	29,206	**13,850**	13,984
Total provisions	**177,834**	175,862	**106,430**	120,943

(f) Movements in provisions (excluding employee benefits)

2024	**Decommissioning $'000**	**Restoration $'000**	**Other $'000**	**Total $'000**
Current and non-current				
Opening carrying amount	**84,555**	**16,992**	**43,190**	**144,737**
Change in estimate	**(19,069)**	**-**	**2,329**	**(16,740)**
Additional provisions recognised	**-**	**535**	**4,162**	**4,697**
Unused provisions reversed	**-**	**(231)**	**(5,775)**	**(6,006)**
Utilised during the year	**-**	**(2,098)**	**(9,658)**	**(11,756)**
Discounting of provisions	**2,130**	**216**	**-**	**2,346**
Closing carrying amount	**67,616**	**15,414**	**34,248**	**117,278**

Decommissioning

Decommissioning provisions are recognised where there is a present obligation in respect of certain gas transmission and processing assets owned by the Group and the present value of the expected costs of removal of these assets at the end of their useful lives. It is probable that an outflow of economic benefit will be required to settle the provision. The provision of future decommissioning costs is the best estimate of the present value of the future expenditure required to settle the obligation at the reporting date. The expected timing of outflows for decommissioning liabilities is not within 12 months from the reporting date. Future decommissioning costs are reviewed annually and where there is a change in the expected decommissioning costs, an adjustment is recorded against the carrying amount of the provision and the associated plant and equipment.

Restoration

Restoration provisions are recognised in respect of civil works and leases.

Other

Other provisions include restructuring, onerous contracts, legal, defect, contract claims, rebates and other miscellaneous provisions. Provisions for defect and contract claims are made for the estimated liability on the known liquidated damage or contract claims arising under service and construction contracts.

SECTION B OPERATIONS AND PERFORMANCE

(g) Contingent liabilities

From time to time, entities within the Group are party to various legal actions as well as enquiries from regulators and government bodies that have arisen in the normal course of business.

The outcome of currently pending and potential future legal actions, regulatory, administrative and government enquiries of a legal nature cannot be predicted with certainty. Such matters can raise complex legal issues, and are subject to many uncertainties including but not limited to, the facts and circumstances of each matter.

The Group has given consideration to such matters which are or may be subject to claims, penalties and litigation at year end and is of the opinion that any liabilities arising over and above those provided for in the financial statements from such action would not have a material effect on the Group's financial performance or position in future years.

In addition, environmental, make good and restoration provisions are recognised in respect of obligations to remediate and make good disturbance or contamination caused by former gas works, at certain sites. Such provisions are subject to uncertainties such as the extent of disturbance and interpretation of make good and remediation requirements of regulators and other parties who have rights to the underlying land.

Other than above and as disclosed in these financial statements, Management is not aware of any other contingent liabilities that could have a material effect on the financial statements.

SECTION C OUR ASSETS

C1 Property, plant, and equipment

(a) Accounting policy

The Group recognises the cost of an item of property, plant and equipment as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as incurred.

All classes of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises the cost of direct materials, direct labour, an appropriate proportion of direct production overheads, and (where relevant) the estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Items of plant and equipment under construction are recognised as construction in progress. Once the asset construction is complete and the asset is capable of operating in the manner intended by management, the item of plant and equipment is transferred from construction in progress to the relevant asset class and depreciation of the asset commences.

Where significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment and depreciated separately.

Depreciation is charged to the income statement on a straight line basis over the estimated useful life of each item of property, plant and equipment. Depreciation of assets used to produce new assets is included in the carrying amount of the new asset. Land is not depreciated.

Disposals of items result in their carrying amount being derecognised immediately.

(b) Critical accounting estimates and judgements

Estimates are made regarding useful lives of items of property, plant and equipment based on factors that are subject to risk including the regulatory environment and technological developments.

Change in estimates

On 1 January 2024, in accordance with *AASB 116 Property, Plant and Equipment*, the Group conducted a review and updated the useful life of gas distribution infrastructure assets and certain gas pipeline and processing assets. This adjustment ensures alignment with the latest expectations and industry more closely aligns with the regulatory expectations

As a result of this change, depreciation expenses for the year ended 31 December 2024 increased by approximately $61.2 million. For future periods, the change is expected to result in an increase in annual depreciation expenses of approximately from $50.6 million to $61.2 million for the CY25 to CY33 period and $42.9 milion for the CY34 to CY44 period.

SECTION C OUR ASSETS

(c) Property, plant and equipment

	Freehold land $'000	Freehold buildings $'000	Easements $'000	Leasehold improvements $'000	Infrastructure assets $'000	Other property, plant and equipment $'000	Leased plant and equipment $'000	Construction in progress $'000	Total $'000
Useful life (years)	Indefinite	5 - 70	30 - 40	10 -13	5 - 120	4 - 20	10 - 13	n/a	
Year ended 31 December 2024									
Opening carrying amount - 1 January 2024	**60,910**	**98,701**	**14,821**	**12,411**	**7,537,878**	**21,466**	**39**	**415,032**	**8,161,258**
Additions	**-**	**1,394**	**-**	**963**	**287,439**	**4,669**	**-**	**236,826**	**531,291**
Transfers from/(to) other asset classes	**-**	**2,860**	**-**	**626**	**72,825**	**15,921**	**-**	**(88,100)**	**4,132**
Depreciation charge	**-**	**(3,812)**	**(700)**	**(3,090)**	**(318,084)**	**(11,434)**	**(19)**	**-**	**(337,139)**
Disposals	**(941)**	**(794)**	**-**	**(305)**	**(11,829)**	**(30)**	**-**	**-**	**(13,899)**
Decommissioning provision	**-**	**-**	**-**	**-**	**(15,936)**	**-**	**-**	**-**	**(15,936)**
Closing carrying amount - 31 December 2024	**59,969**	**98,349**	**14,121**	**10,606**	**7,552,292**	**30,592**	**20**	**563,758**	**8,329,707**
At 31 December 2024									
Cost	**59,969**	**127,343**	**21,422**	**53,635**	**10,636,124**	**159,397**	**275**	**563,758**	**11,621,923**
Accumulated depreciation	**-**	**(28,994)**	**(7,301)**	**(43,029)**	**(3,083,832)**	**(128,805)**	**(255)**	**-**	**(3,292,216)**
Carrying amount	**59,969**	**98,349**	**14,121**	**10,606**	**7,552,292**	**30,592**	**20**	**563,758**	**8,329,707**
Year ended 31 December 2023									
Opening carrying amount - 1 January 2023	60,910	91,747	15,487	16,005	7,344,611	18,670	58	402,871	7,950,359
Additions	-	1,165	-	145	286,500	7,280	-	189,744	484,834
Impairment loss	-	-	-	(927)	-	-	-	-	(927)
Transfers from/(to) other asset classes	-	9,181	-	30	164,534	4,935	-	(177,583)	1,097
Depreciation charge	-	(3,392)	(666)	(2,842)	(244,558)	(9,223)	(19)	-	(260,700)
Disposals	-	-	-	-	(14,153)	(196)	-	-	(14,349)
Decommissioning provision	-	-	-	-	944	-	-	-	944
Closing carrying amount - 31 December 2023	60,910	98,701	14,821	12,411	7,537,878	21,466	39	415,032	8,161,258
At 31 December 2023									
Cost	60,910	124,227	21,421	55,140	10,330,505	141,607	601	415,032	11,149,443
Accumulated depreciation	-	(25,526)	(6,600)	(42,729)	(2,792,627)	(120,141)	(562)	-	(2,988,185)
Carrying amount	60,910	98,701	14,821	12,411	7,537,878	21,466	39	415,032	8,161,258

SECTION C OUR ASSETS

C2 Intangible assets

(a) Accounting policy and critical accounting estimates and judgements

All classes of intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged to the income statement on a straight line basis over the estimated useful life of each intangible asset with a finite life.

Estimates are made regarding useful lives of items of intangible assets based on factors that are subject to risk including the regulatory environment and technological developments.

(i) Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in business combinations that are not individually identified and separately recognised.

Goodwill is not amortised but is tested for impairment per the Impairment Policy (refer note C5).

(ii) Electricity distribution licence

A licence is held to distribute electricity to end-users within the Jemena Electricity Network, covering a defined area of north-west greater Melbourne. The licence is issued in perpetuity so long as the associated regulatory requirements are met. Given the Group continuously monitors compliance with regulatory requirements and intends to continue to maintain the network for the foreseeable future, the licence has an indefinite useful life. Therefore the licence is not amortised but is tested for impairment per the Impairment Policy.

(iii) Software

Computer software includes the cost of software licences purchased by the Group and other additional software development costs.

The accounting for costs to implement software in Software-as-a-Service ("SaaS") arrangements depends on whether the Group controls the software. In a SaaS arrangement, where the Group controls the software, implementation costs which are directly attributable to preparing the software for its intended use are capitalised. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software in a SaaS arrangement, where the supplier controls the software, are recognised as materials and services expenses when the services are received.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. Judgement is required to determine whether the additional costs meets the definition of an intangible asset.

(iv) Contract intangibles

Contract intangibles represent the value attributed to the material customer contracts that the Group acquired in business combinations. The value of these contracts are based on independent valuations, predicated on estimates and judgements. The value of these contracts is determined with reference to the separately identifiable net cash flows generated under each contract, discounted back to present value. Their useful lives reflect both the contract terms and, where applicable, assumed renewal periods.

(v) Construction in progress

Internally generated intangibles in progress are recognised as the sum of all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended, at which point the intangible asset is transferred to the relevant asset class and amortisation of the asset commences.

SECTION C OUR ASSETS

(b) Intangible assets

	Goodwill $'000	Contract Intangibles $'000	Electricity distribution licence $'000	Software $'000	Construction in progress $'000	Total $'000
Useful life (years)	Indefinite	8 - 33	Indefinite	2 - 22	n/a	
Year ended 31 December 2024						
Opening carrying amount - 1 January 2024	**1,536,373**	**42,086**	**10,516**	**116,760**	**29,051**	**1,734,786**
Additions	**-**	**-**	**-**	**4,422**	**37,371**	**41,793**
Transfers from/(to) other asset classes	**-**	**-**	**-**	**15,359**	**(19,491)**	**(4,132)**
Amortisation charge	**-**	**(2,190)**	**-**	**(40,890)**	**-**	**(43,080)**
Disposals	**-**	**-**	**-**	**(826)**	**-**	**(826)**
Closing carrying amount - 31 December 2024	**1,536,373**	**39,896**	**10,516**	**94,825**	**46,931**	**1,728,541**
At 31 December 2024						
Cost	**1,536,373**	**104,158**	**10,516**	**784,952**	**46,931**	**2,482,930**
Accumulated amortisation	**-**	**(64,262)**	**-**	**(690,127)**	**-**	**(754,389)**
Carrying amount	**1,536,373**	**39,896**	**10,516**	**94,825**	**46,931**	**1,728,541**
Year ended 31 December 2023						
Opening carrying amount - 1 January 2023	1,536,373	44,276	10,516	117,241	46,450	1,754,856
Additions	-	-	-	6,985	20,891	27,876
Transfers from/(to) other asset classes	-	-	-	37,193	(38,290)	(1,097)
Amortisation charge	-	(2,190)	-	(44,659)	-	(46,849)
Disposals	-	-	-	-	-	-
Closing carrying amount - 31 December 2023	1,536,373	42,086	10,516	116,760	29,051	1,734,786
At 31 December 2023						
Cost	1,536,373	104,158	10,516	766,299	29,051	2,446,397
Accumulated amortisation	-	(62,072)	-	(649,539)	-	(711,611)
Carrying amount	1,536,373	42,086	10,516	116,760	29,051	1,734,786

SECTION C OUR ASSETS

C3 Investment in associate

(a) Accounting policy

Associates are those entities in which the Group has significant influence, but no control or joint control, over the financial or operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the income statement and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) United Energy Distribution Holdings Pty Ltd

The Group owns a 34% interest in United Energy Distribution Holdings Pty Ltd ("UEDH"). UEDH Group distributes electricity throughout southeast Melbourne and the Mornington Peninsula in Victoria. The network covers approximately 1,472 square kilometres and services over 700,000 homes and businesses.

(c) Reconciliation of movements in investment in UEDH

	Opening $'000	Share of profit $'000	Dividends and Eliminatio-ns * $'000	Share conversion ** $'000	Share of Other Comprehen-sive Income $'000	Closing $'000
2024						
Ordinary shares	**335,953**	**56,573**	**(26,240)**	**-**	**(5,906)**	**360,380**
Redeemable preference shares ("RPS")	**80,783**	**-**	**-**	**-**	**-**	**80,783**
	416,736	**56,573**	**(26,240)**	**-**	**(5,906)**	**441,163**
2023						
Ordinary shares	198,799	46,323	(21,782)	124,460	(11,847)	335,953
Redeemable preference shares	205,243	-	-	(124,460)	-	80,783
	404,042	46,323	(21,782)	-	(11,847)	416,736

* Comprising of dividends received and receivable and the elimination of the transactions between the Group and the associate.

** Tranche A of the RPS was converted into ordinary shares upon its maturity during 2023. This transaction had no impact on the Group's ownership interests.

SECTION C OUR ASSETS

The following table summarises the balance sheet information of UEDH:

	2024 $'000	2023 $'000
Current assets (including cash and cash equivalents - 31 December 2024: $31.4million; 31 December 2023: $54.7million)	**153,697**	160,861
Non-current assets (including financial assets - 31 December 2024: $168.2 million, 31 December 2023: $129.8 million)	**4,168,315**	3,946,224
Current liabilities (including financial liabilities - 31 December 2024: ($459.3) million, 31 December 2023: ($1,266.2) million)	**(693,739)**	(1,505,525)
Non-current liabilities (including financial liabilities - 31 December 2024: ($2,169.0) million, 31 December 2023: ($1,238.3) million)	**(2,687,624)**	(1,730,207)
Net assets (100%)	**940,649**	871,353

Capital expenditure contracted for at balance date but not recognised as a liability by the UEDH group is as follows:

	2024 $'000	2023 $'000
Payable within one year (34%)	**3,996**	5,250
	3,996	5,250

The following table summarises the income statement information of UEDH:

	2024 $'000	2023 $'000
Revenue	**837,270**	770,926
Depreciation and amortisation	**(169,959)**	(155,707)
Interest income	**2,023**	2,481
Interest expense	**(116,607)**	(137,388)
Net profit after tax	**163,671**	131,832
Total comprehensive income for distribution	**146,300**	96,987

The following table summarises the Group's equity accounting of UEDH:

	2024 $'000	2023 $'000
Group's share of net assets (34%)	**319,821**	296,260
Consolidation adjustments	**121,342**	120,476
Carrying amount of interest in UEDH	**441,163**	416,736
Group's share of:		
- Profit	**56,573**	46,323
- Other comprehensive income (hedging reserves)	**(5,906)**	(11,847)
- Interest on redeemable preference shares held by the Company, included within UEDH group's interest expense	**9,518**	18,487
Group's total recognised comprehensive income from UEDH	**60,185**	52,963

The Company is not aware of any UEDH group contingent liabilities that could have a material effect on the financial statements.

SECTION C OUR ASSETS

C4 Investment in joint venture

(a) Accounting policy

Joint ventures are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are recognised initially at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the income statement and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) ActewAGL Distribution Partnership

The Group holds a 50% interest in the ActewAGL Distribution Partnership ("ADP"), primarily operating as 'Evoenergy'. The remaining 50% is ultimately held by the Australian Capital Territory ("ACT") Government. ADP owns and operates the electricity networks in the ACT and the gas networks in the ACT, Queanbeyan-Palerang, and Nowra.

ADP's financial year is from 1 July to 30 June, which is different to the Group.

(c) Critical accounting estimates and judgements

In classifying as a joint venture the Group considered and made certain judgements about the structure of the arrangement, the legal form of any separate vehicles, the contractual terms of the arrangement and other facts and circumstances.

(d) Reconciliation of movements in investment in ADP

	Opening $'000	Share of profit* $'000	Dividends and Eliminations ** $'000	Closing $'000
2024				
ActewAGL Distribution Partnership	**1,137,132**	**41,240**	**(32,005)**	**1,146,367**
	1,137,132	**41,240**	**(32,005)**	**1,146,367**
2023				
ActewAGL Distribution Partnership	1,092,273	87,988	(43,129)	1,137,132
	1,092,273	87,988	(43,129)	1,137,132

* Included within the share of profit is feed-in tariff ("FIT") of ($24.9) million (post-tax), reflecting the handback of over-recovery in previous years, partly offset with the under-recovery in the current year (CY23:$17.4 million under-recovery). In the ACT, ADP is subject to a large scale FIT jurisdictional scheme under which FIT support payments are made by ADP to renewable energy generators. ADP is required to collect any shortfall between the average contracted prices and the wholesale spot price on behalf of renewable energy generators from electricity customers.

These FIT support payments operate as a pass through to customers. Where the amount recovered exceeds or is below actual contributions paid to relevant parties, an adjustment is made to future prices to reflect this excess or shortfall. No assets or liabilities is recognised as such an adjustment relates to provision of future services.

** Comprising of dividends received and receivable and the elimination of the transactions between the Group and the joint venture.

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The following table summarises the balance sheet information of ADP:

	2024 $'000	2023 $'000
Current assets (including cash and cash equivalents - 31 December 2024: $35.0 million; 31 December 2023: $58.6 million)	**301,767**	374,027
Non-current assets (including financial assets - 31 December 2024: $38.5 million; 31 December 2023: $36.3 million)	**1,703,508**	1,624,732
Current liabilities (including financial liabilities - 31 December 2024: ($4.6) million; 31 December 2023: ($6.5) million)	**(192,926)**	(202,332)
Non-current liabilities (including financial liabilities - 31 December 2024: ($20.7) million, 31 December 2023: ($23.5) million)	**(23,711)**	(24,773)
Net assets (100%)	**1,788,638**	1,771,654

Capital expenditure contracted for at balance date but not recognised as a liability by the joint venture is as follows:

	2024 $'000	2023 $'000
Payable within one year (50%)	**18,180**	18,642
Payable later than one year but not later than five years (50%)	**879**	6,461
	19,059	25,103

The following table summarises the income statement information of ADP:

	2024 $'000	2023 $'000
Revenue	**379,561**	501,977
Depreciation and amortisation	**(69,314)**	(66,526)
Interest income	**9,425**	13,411
Interest expense	**(1,288)**	(1,425)
Net profit after tax	**78,985**	172,507
Total comprehensive income for distribution	**78,985**	172,507

The following table summarises the Group's equity accounting of ADP:

	2024 $'000	2023 $'000
Group's share of net assets (50%)	**894,319**	885,827
Consolidation adjustments	**252,048**	251,305
Carrying amount of interest in ADP	**1,146,367**	1,137,132
Total comprehensive income for distribution	**78,985**	172,507
Group's share of total comprehensive income	**41,240**	87,988

ADP had contingent liabilities of $0.86 million relating to bank guarantees as at 31 December 2024 (as at 31 December 2023: $0.86 million). The Company is not aware of any other ADP contingent liabilities that could have a material effect on the financial statements.

SECTION C OUR ASSETS

C5 Impairment testing

(a) Accounting policy

An asset is impaired when its carrying amount exceeds its recoverable amount.

The carrying amounts of the Group's assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill, intangible assets that have an indefinite useful life and construction in progress intangible assets, the recoverable amount is estimated irrespective of whether there is any indication of impairment.

The recoverable amount of assets is greater of their fair value less costs of disposal and its value in use. In assessing the recoverable amount, the Group applies the fair value less costs of disposal method and discounts the estimated future cash flows to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If it is not possible to estimate the recoverable amount of the individual asset, an entity shall determine the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash inflows independently of the cash flows generated by any other asset or group of assets. For the purpose of impairment testing, goodwill and corporate assets are allocated to the CGUs' carrying amounts.

When the carrying amount of an asset or CGU exceeds its recoverable amount the difference is immediately recognised in the income statement as an impairment loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other assets in the CGU on a pro-rata basis. An impairment loss in respect of goodwill is not reversed.

Impairment losses in respect of other assets are reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or amortisation, if no impairment loss had been recognised. The reversal of an impairment loss is recognised in the income statement.

(b) Impairment testing

The Group's CGUs and allocated goodwill and intangible assets that have an indefinite useful life identified for impairment testing are as follows:

	2024 $'000	2023 $'000
Carrying amounts of goodwill by CGU		
Jemena Gas Network ("JGN")	**502,738**	502,738
Jemena Electricity Network ("JEN")	**148,144**	148,144
Jemena Eastern Gas Pipeline ("EGP")	**760,982**	760,982
Jemena Queensland Gas Pipeline ("QGP")	**10,939**	10,939
Jemena Darling Downs Pipeline Network ("DDPN")	**25,272**	25,272
Jemena Northern Gas Pipeline ("NGP")	**-**	-
Zinfra	**88,298**	88,298
Total goodwill	**1,536,373**	1,536,373
Intangible Assets - JEN licence	**10,516**	10,516
Total of licence	**10,516**	10,516
Total	**1,546,889**	1,546,889

Impairment testing was performed by considering the presence of goodwill and the existence of impairment indicators for the the following CGU's: JGN, JEN, EGP, QGP, NGP, DDPN and Zinfra. The remaining CGUs (UED, AAD, CGP and RNP) were excluded from impairment testing as they do not have goodwill allocated and no impairment indicators were identified. CGU impairment testing was carried out at 31 December 2024 resulting in no impairments being recognised (2023: nil).

SECTION C OUR ASSETS

(c) Critical accounting estimates and judgements

Fair value less costs of disposal is measured using some inputs that are not based on observable market data, deemed level 3 within the fair value hierarchy as per note F1.

The following table lists critical estimates and assumptions used in estimating the recoverable amount of CGUs:

CGU	Cash Flow Horizon (years) [a]	Terminal Value Assumptions [b]	Post Tax Discount WACC 2024 [c]	Post Tax Discount WACC 2023 [c]	Comments on critical estimates and assumptions
Regulated Assets					
JGN	10 (2023: 10)	RAB 1.35 x (2023: 1.35)	4.78%	4.53%	- For regulated assets where terminal values are a significant driver of recoverable value, the Group monitors risks and opportunities on an ongoing basis in relation to any change including cross checking with implied market multiples of peers and recent market transactions for changes in RAB multiples. In 2024, the free cash flow horizons reflect the key assumptions behind JGN's renewable gas strategy and JEN's growth strategy. - The RAB multiple for JGN is 1.35x which is aligned to market expectations of renewable gas uptake and its position in the future energy mix. Management will continue to closely observe these market expectations in future periods and will adjust this multiple accordingly. - JGN's market and commercial dynamics continue to evolve in 2025 and Management is focussed on further scenario testing with consideration given to JGN's strategy involving the commercial landscape, renewable/green gas transition, future access arrangements and capital programme optimisation. Furthermore, the recent access arrangement proposal balances the short term goals of delivering a safe, reliable network for our customers, while preparing for the long-term goal of supporting the energy transition. These focus points will therefore, underpin JGN's future cash flows and recoverable value in a decarbonisation environment. - JEN's RAB multiple is 1.6x reflects its expected growth as the economy decarbonises and becomes more reliant on renewable electricity. JEN's 2026-31 access arrangement proposal aligns with SGSPAA's climate transition plan, focusing on rebalancing gas and electricity assets while expanding connections to new customers. JEN will continue to optimise a two-way grid that supports both centralised and decentralised generation, with strategic investments ensuring long term reliability, sustainability and supporting asset recoverable values.
JEN	10 (2023: 10)	RAB 1.6 x (2023: 1.6)	4.38%	4.13%	

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CGU	Cash Flow Horizon (years) [a]	Terminal Value Assumptions [b]	Post Tax Discount WACC 2024 [c]	Post Tax Discount WACC 2023 [c]	Comments on critical estimates and assumptions
Gas Transmission					
EGP	10 (2023: 10)	Perpetual Growth (0.50%) - 1.0% (2023: (0.50%) - 1.0%)	5.33% - 6.20%	5.09% - 5.96%	- The Group monitors risks and opportunities on an ongoing basis for any change in the assumptions supporting the growth rates and forward profile of cash flows for these CGUs, including key elements of the discount rate which can have a material impact on the recoverable amount. - The perpetual growth assumption is largely determined by demand/supply dynamics, alternate energy supplies, recontracting and the projected Australian Consumer Price Index. While inflation in the short term is high, the Group expects inflation to normalise and stabilise in the long-term.
QGP	10 (2023: 10)				
DDPN	10 (2023: 10)				
NGP	10 (2023: 10)				
Services					
Zinfra	5 (2023: 5)	Perpetual Growth 1.0% (2023:1.0 %)	9.54%	9.27%	- The market continues to be highly competitive and may potentially impact revenue and EBITDA margin growth rates. The ability to maintain competitive margins as well as managing re-contracting risk for key customers remains a focus for the business. - Growth is driven mainly by revenue growth project and services contracts supported by identified opportunities, realistic win rates and historical trends.

Notes:

a The forecasts include assumptions related to the growth in revenue, operating expenditure and capital expenditure. For regulated CGUs, the growth assumption is primarily driven by the assumptions in the regulatory building block models with growth being a function of the regulated asset base ("RAB") and the allowable return from the regulator in the current regulatory period and expected future returns in the years post the current regulatory period.

b Terminal values are calculated by applying a multiple to the RAB in the terminal year for regulated assets and terminal growth rates to terminal year cash flows for unregulated assets.

c All CGUs' future nominal cash flows are discounted to their present value using a discount rate based on the weighted average cost of capital ("WACC"). The WACC takes into account the average rates of return required by providers of debt and equity capital (proxy weighted to the market) to compensate them for the time value of money and the inherent risk or uncertainty in achieving the cash flow returns for that outlay of capital estimating a transactional "fair value" environment.

d Long-term risk free rate is consistently applied across the discount WACC rates for all CGUs in the Group.

SECTION C OUR ASSETS

Reasonably possible change in key assumptions
The recoverable amount for the following CGUs approximates their carrying value. Accordingly, any deterioration in the key assumptions would result in possible recoverable amount deficiencies:

The market, regulatory and commercial dynamics particularly pertaining to EGP and JGN CGUs continue to evolve and Management is focussed on their strategy involving the commercial landscape, renewable gas transition, future access arrangements and capital programme optimisation. These considerations are set in a backdrop of a market trend toward decarbonisation where the impact to long-term gas demand and growth rates continue to be fluid.

- NGP: Management continues to work to secure additional long-term revenues on NGP through various initiatives. Negotiations continue with multiple counterparties and the cash flows included are based on the best information at reporting date. The long term cash flows are mainly reliant on the development of gas reserves in the Beetaloo Basin and customer contracting for transmission services into the East Coast market, or transmission services to supply gas from the East Coast market into the Northern Territory.

- EGP: Management continues to work to further secure long-term revenue on the EGP through the Southern Gas Strategy. The Southern Gas Strategy involves among other things the construction and connection of the EGP to the proposed Port Kembla Energy Terminal. Negotiations continue with multiple counterparties and the cash flows included are based on the best information at reporting date on the most current view of demand and supply factors. Further, the cash flow assumptions also assume that, where relevant, re-contracting will be performed in accordance with any Gas Market Reform rules.

- JGN: Management continues to assess assumptions pertaining to volume relating to residential and industrial/ commercial customers and various regulatory assumptions. On a broader lens, Management recognises the need to invest in developing renewable gas technologies and continue to perform scenario testing as part of the long-term strategy to plan for the future of the portfolio, in a decarbonisation environment.

If the assumptions used in the impairment testing were changed to a greater extent than as presented in the following table, the changes would, in isolation, lead to an impairment loss being recognised for the three CGUs discussed above in the year ended 31 December 2024.

Changes required for carrying value to equal recoverable amount

	Post-tax discount rate		TV - RAB Multiple		TV - Growth Rate	
	2024	2023	**2024**	2023	**2024**	2023
CGU	**%**	%	**x**	x	**%**	%
JGN	5.25	4.95	1.28	1.29	**-**	-
EGP	6.41	6.31	**-**	-	(0.86)	(1.12)
NGP	6.17	6.02	**-**	-	(0.30)	(0.45)

C6 Capital commitments

Capital expenditure contracted for at balance date but not recognised as a liability by the Group is as follows:

	2024	2023
	$'000	$'000
Payable within one year	**23,846**	8,798
Payable later than one year but not later than five years	**-**	-
	23,846	8,798

SECTION D FINANCING OUR BUSINESS

D1 Interest bearing liabilities

(a) Accounting policy

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are either stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(b) Interest bearing liabilities

			Current		Non-current	
			2024	2023* Restated	**2024**	2023* Restated
			$'000	$'000	**$'000**	$'000
	Maturity date	**Issue rate**				
Unsecured						
Bank loans - Syndicated Facility Agreements			**615,000**	-	**360,000**	950,000
Bank loans - Bilateral Facility Agreements			**-**	-	**540,709**	500,283
Less: borrowing costs			**(612)**	(72)	**(6,808)**	(5,833)
Debt securities						
- USD 500m MTN	29-Jul-26	3.250%	**-**	-	**771,837**	686,224
- HKD 875m MTN	21-May-27	3.330%	**-**	-	**175,271**	157,471
- USD 500m MTN	07-Jul-27	3.500%	**-**	-	**767,695**	693,735
- AUD 250m MTN	27-Sep-24	3.750%	**-**	250,000	**-**	-
- HKD 785m MTN	28-Mar-29	2.850%	**-**	-	**163,307**	147,599
- AUD 92m MTN	20-Jul-29	2.789%	**-**	-	**92,000**	92,000
- HKD 739m MTN	20-Dec-29	2.535%	**-**	-	**153,738**	138,949
- AUD 159m MTN	27-Feb-35	2.680%	**-**	-	**159,000**	159,000
- AUD 350m MTN	15-Sep-28	1.843%	**-**	-	**339,160**	336,692
- HKD 900m MTN	04-Jan-27	1.440%	**-**	-	**177,061**	156,968
- AUD 100m MTN	29-Nov-28	2.525%	**-**	-	**92,874**	91,436
- AUD 300m MTN	17-Dec-29	2.620%	**-**	-	**271,401**	266,914
- HKD 800m MTN	18-Oct-32	4.920%	**-**	-	**170,137**	157,875
- AUD 106m MTN	08-Dec-32	6.056%	**-**	-	**106,000**	106,000
- AUD 50m MTN	08-Dec-32	6.056%	**-**	-	**52,022**	-
- AUD 175m MTN	15-Jan-30	BBSW + 1.7%	**-**	-	**175,000**	175,000
- AUD 85m MTN	15-Jan-30	BBSW + 1.7%	**-**	-	**85,000**	85,000
- HKD 785m MTN	20-Mar-33	4.854%	**-**	-	**167,248**	155,433
- HKD 600m MTN	09-Jun-30	4.520%	**-**	-	**125,055**	115,128
- AUD 30m MTN	29-Jun-33	5.988%	**-**	-	**30,473**	30,721
- AUD 100m MTN	29-Jun-33	5.988%	**-**	-	**103,542**	-
- JPY 5b MTN	13-Jun-39	1.960%	**-**	-	**51,664**	-
- HKD 766.5m MTN	09-Oct-29	3.540%	**-**	-	**156,986**	-
Less: borrowing costs			**-**	(406)	**(8,244)**	(9,800)
Convertible instruments	04-Sep-50	10.250%	**-**	800,000	**-**	-
			614,388	1,049,522	**5,272,128**	5,186,795
			614,388	1,049,522	**5,272,128**	5,186,795

For more information about the Group's exposure to interest rate and foreign currency risk, see note D4. Details of financing facilities utilised/unutilised are also contained in note D4(d).

* Refer to note A2(a) and D5 for further information regarding the reclassification of the CI's comparative balance and its conversion during the year.

SECTION D FINANCING OUR BUSINESS

D2 Finance income and costs

(a) Accounting policy

Finance income and costs are recognised using the effective interest method.

Borrowing costs that are directly attributable to the construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. The capitalisation rate used to determine the amount of borrowing costs to be included in the cost of qualifying assets is the weighted average interest rate of 4.25% for the year applicable to the Group's outstanding borrowings (year ended 31 December 2023: 4.04%). Generally, the Group's gearing rate is applied to the capitalisation rate to determine the amount of interest to capitalise.

(b) Summary

	2024 $'000	2023 $'000
Finance income		
Interest on funds invested	**795**	583
Interest on lease receivable	**5,943**	6,234
Defined benefit net interest	**2,471**	2,362
	9,209	9,179
Finance costs		
Interest and finance charges paid/payable on borrowings	**(232,441)**	(255,699)
Gain/(loss) on the fair value hedging instruments (fair value hedges)	**13,018**	(163,580)
Gain/(loss) on the fair value hedged items (fair value hedges)	**(12,695)**	163,064
Ineffectiveness from cash flow hedges	**533**	(123)
Capitalised finance charges	**9,897**	8,148
Interest on leases	**(3,980)**	(4,493)
Unwinding of discount on liabilities	**(2,346)**	(2,299)
	(228,014)	(254,982)

SECTION D FINANCING OUR BUSINESS

D3 Derivative financial instruments and hedging reserve

(a) Accounting policy

The Group uses derivative financial instruments such as interest rate swaps, cross currency swaps and foreign exchange contracts to hedge its exposure to foreign exchange and interest rate risks arising from financing activities. The Group does not speculatively trade in derivative financial instruments, however, derivative financial instruments that do not qualify for hedge accounting are accounted for as held for trading.

Derivative financial instruments are recognised at fair value (refer to note F1) determined using level 2 fair value hierarchy inputs, and using discounted cash flow analysis.

The Group applies the maturity date approach to classify derivative financial instruments. Derivative financial instruments are classified as non-current, except for those instruments that mature in less than 12 months from balance date, which are classified as current.

In order to qualify for hedge accounting all of the following hedge effectiveness testing criteria need to be met:
- 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; and
- the hedge ratio is the same as that resulting from actual amounts of hedged items and hedging instruments for risk management.

(i) Hedge ineffectiveness

Hedge ineffectiveness may arise from counterparty credit risk, changes in timing of the forecast transactions and forecast transactions not occurring. However, the Group tests the hedging effectiveness periodically to ensure that the sources of ineffectiveness do not dominate the hedge relationship.

(ii) Fair value hedges

Changes in the fair value of a derivative financial instrument designated as a fair value hedge of the exposure to changes in fair value of a recognised asset, liability or unrecognised firm commitment, is recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, the gain or loss attributable to the hedged risk is recognised in the income statement with an adjustment to the carrying amount of the hedged item.

(iii) Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated in the hedging reserve. The ineffective portion of the gain or loss is recognised in the income statement.

When the forecast transaction subsequently results in the recognition of a non-financial asset or liability, or a forecast transaction for a non-financial asset or liability becomes a firm commitment for which hedge accounting is applied, the associated cumulative gains or losses is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecasted transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into the income statement in the same year or years during which the asset acquired or liability assumed affects the income statement (e.g. when interest expense is recognised). In either case, if the amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into the income statement.

When a cash flow hedging instrument expires or is sold, terminated or exercised, and the hedged forecast transaction is still expected to occur, the cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement or used to adjust the initial cost of the non-financial item. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is immediately transferred to the income statement.

(iv) Foreign currency basis spreads

The cumulative change in fair value of the foreign currency basis spreads of cross currency interest rate swaps designated in hedge relationships is recognised as a cost of hedging in a separate component of the hedging reserve.

SECTION D FINANCING OUR BUSINESS

(b) Critical accounting estimates and judgements

The fair value of derivative financial instruments is determined as follows:

- the fair value of derivative financial instruments with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices. The quoted market price used is the current mid-price, as the derivative financial instruments are in hedging relationships with offsetting market risks; and

- the fair value of other derivative financial instruments is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Judgements about whether the Group's hedges are in effective economic relationships are on the basis of critical terms of the hedging instrument and hedged item being aligned; including face values, cash flows and currency, and the relationship between the hedged risk and the corresponding value of the hedging derivatives resulting in a hedge ratio of one.

(c) Summary of carrying amount

	Current		Non-current	
	2024 $'000	2023 $'000	**2024 $'000**	2023 $'000
Derivative financial instruments - Assets*				
Fair value hedges				
Cross currency swap contracts	**-**	-	**(89,845)**	(99,425)
Interest rate swap contracts	**-**	-	**5,786**	520
Cash flow hedges				
Cross currency swap contracts	**-**	-	**450,063**	195,859
Interest rate swap contracts	**1,107**	1,253	**209,829**	242,350
Forward foreign exchange contracts	**259**	74	**31**	-
	1,366	1,327	**575,864**	339,304

	Current		Non-current	
	2024 $'000	2023 $'000	**2024 $'000**	2023 $'000
Derivative financial instruments - Liabilities*				
Fair value hedges				
Cross-currency swap contracts	**-**	-	**-**	(10,268)
Interest rate swap contracts	**-**	-	**46,142**	54,344
Cash flow hedges				
Cross-currency swap contracts	**-**	-	**-**	22,695
Interest rate swap contracts	**-**	-	**9,297**	7,982
Forward foreign exchange contracts	**-**	142	**-**	2
	-	142	**55,439**	74,755

	2024 %	2023 %
Weighted Average Interest Rate		
Cross currency swap contracts	**5.71**	5.21
Interest rate swap contracts	**(1.21)**	(0.77)

* The Group classifies individual derivative financial instruments with positive fair values as assets and negative fair values as liabilities, with the entire hedge relationship presented as a single entity. The Group also presents the fair value of the derivative financial instruments based on their bifurcated and trifurcated hedge accounting designations.

SECTION D FINANCING OUR BUSINESS

(d) Foreign currency risk management

The following table summarises the carrying amount and hedge accounting designations of foreign exchange contracts used to manage foreign currency exposure:

	Weighted average exchange rate	Foreign currency contract value FC$'000	Carrying amount $'000	Less than 1 year $'000	1- 5 years $'000
2024					
Forward foreign currency contracts					
- Buy USD (United States Dollar)	**0.6485**	**4,007**	**290**	**259**	**31**
2023					
Forward foreign currency contracts					
- Buy USD (United States Dollar)	0.6583	4,117	(70)	(68)	(2)

(e) Hedge accounting

As 31 December 2024, the Group held various types of derivative financial instruments and formally designated them in cash flow and fair value hedge relationships for accounting purposes, in accordance with the requirements of AASB 9. The following table summarises the derivative financial instruments in the consolidated balance sheet and the effects of hedge accounting on the Group's financial position and performance for 2024.

	Nominal amount of hedging instrument $'000	Change in the value of the hedging instrument used for calculating hedge ineffectiven-ess $'000	Change in value of the hedged item used for calculating hedge ineffectiven-ess $'000	Change in value of the hedging instrument recognised in hedging reserve $'000	Hedge ineffectiven-ess recognised in (profit) and loss $'000	Amount reclassified from the cash flow hedge reserve to (profit) or loss $'000
Cash flow hedges						
Interest (up to 11 years)	3,835,000	(33,982)	33,982	33,982	-	-
Capital expenditure (up to 1 year)	6,178	361	(361)	(361)	-	-
Foreign currency debt (up to 8 years)	2,618,221	276,899	(276,365)	(276,365)	(533)	(283,407)
Fair value hedges						
Local currency debt (up to 8 years)	680,000	13,469	(13,709)	N/A	240	N/A
Foreign currency debt (up to 8 years)	2,338,887	(689)	1,013	N/A	(563)	N/A

The following table summarises the carrying amounts and accumulated fair value adjustments of the hedged items:

	Hedged items	Carrying amount $'000	Accumulated fair value adjustment $'000
As at 31 December 2024			
Bank loans	Interest bearing liabilities	(100,709)	(2,915)
Debt securities	Interest bearing liabilities	(3,519,470)	(319,042)
		(3,620,179)	**(321,958)**
As at 31 December 2023			
Bank loans	Interest bearing liabilities	(95,283)	2,510
Debt securities	Interest bearing liabilities	(3,135,145)	(28,365)
		(3,230,428)	**(25,855)**

SECTION D FINANCING OUR BUSINESS

(f) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net changes in the fair value of cash flow hedging instruments related to highly probable forecast transactions. The future periods in which the cash flows associated with derivative financial instruments in the cash flow hedge reserve are expected to impact profit and loss are the same as when the hedged highly probable cash flows are expected to occur.

	2024* $'000	2023* $'000
Balance at beginning of the year	**181,224**	260,693
Revaluation (cash flow hedge accounting)	**(23,962)**	(75,037)
Revaluation (foreign currency basis spreads)**	**(4,669)**	3,861
Share of associate's hedge reserve	**(4,134)**	(8,293)
Balance at end of the year	**148,459**	181,224

* The numbers are net of tax.

** AASB 9 requires the foreign currency basis spreads of cross currency swaps to be separated from hedge relationships in Equity.

SECTION D FINANCING OUR BUSINESS

D4 Financial Risk Management

Overview
The Group has exposure to the following risks from the use of financial instruments:
- interest rate risk
- currency risk
- credit risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework
The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk, Health, Safety and Environment Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Risk Management framework operates in conjunction with several other policies of the Group, including the:
- Delegations of Financial Authority which sets out the approvals required for such transactions as investment of surplus funds, execution of hedging transactions, borrowings and issue of guarantees and indemnities;

- Treasury Operations Manual which sets out the day-to-day Treasury front office processes such as cash management and the operations of the Treasury back office, such as settlement processes and bank account operations; and

- Refinancing and Hedging Strategy which sets out the refinancing and hedging strategies over the relevant financial period.

Together, these policies provide a financial risk management framework which supports the Group's objectives of finding the right balance between risk and reward to enhance profitability and business performance while minimising current and future exposures.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:
- forward foreign exchange contracts;
- interest rate swaps ("IRS"); and
- cross currency swaps ("CCS").

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

It is the Group's policy to ensure, wherever possible, that all hedging activities comply with the hedge accounting requirements of AASB 9 *Financial Instruments* . However, there may be instances where it makes commercial and economic sense to enter into derivative financial instrument transactions that do not achieve hedge accounting. In these instances, under AASB 9 such derivative financial instruments must be classified as "held for trading". However, this classification is not an indication of intent to trade in derivative financial instruments.

The material financial risks associated with the Group's activities are each described below, together with details of the Group's policies for managing the risk.

SECTION D FINANCING OUR BUSINESS

(a) Interest rate risk

The Group is exposed to the risk of movements in interest rates on its borrowings. In addition, the regulated electricity distribution business and gas distribution business revenues are impacted directly by changes in the interest rates relating to each of their respective price review periods. This is a result of the "building block" approach where interest rates are considered in the determination of the regulatory weighted average cost of capital and consequently, regulated revenues. The price review period is five years for gas and electricity distribution. The AER has in December 2018 issued its guidelines for determining the rate of return for regulated assets. This guideline impacts the hedging approach taken by the Group, as it now references a 10-year trailing average method rather than market observation at the start of the regulatory period. Hedging of interest rate exposure is aligned to the transition path proposed by the AER.

The objective of hedging activities carried out by the Group in relation to these businesses is to minimise the exposure to changes in interest rates by matching the actual cost of debt with the cost of debt assumed by the regulator when setting the rate of return for the relevant business. The exposure is managed by maintaining an appropriate mix of fixed and floating rate borrowings and by the use of IRS.

The debt portfolio of the Group consists of both floating rate debt and fixed rate debt. The Group's interest rate hedging policy is linked to debt notionally allocated to the asset classes. Interest rate derivative financial instruments are used in order to maintain the percentage of allocated fixed rate debt according to the asset classes (Jemena, which includes regulated network assets and pipelines; and Zinfra, which is an infrastructure services business), as approved by the Board. Hedging of the regulated assets is aligned with tenures linked to the respective regulatory reset periods.

As at balance date, the Group had the following financial assets and liabilities exposed to fair value interest rate risk that were not designated in a hedging relationship:

	2024 $'000	2023 $'000
Financial assets:		
Cash at bank and in hand	**57,815**	30,889
	57,815	30,889
Financial liabilities:		
Bank loans and debt securities not designated in an interest rate hedging relationship	**1,008,887**	500,238
	1,008,887	500,238

The Group utilises IRS to manage its exposure to interest rate risk. Under IRS, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on debt held.

Due to the Group's interest rate risk management policies, the exposure at a corporate level to interest rate risk at any point in time is significantly reduced. At balance date, 84.6% (2023: 90.8%) of the Group's borrowings are fixed through either fixed rate debt or pay fixed IRS.

The Group's exposure to changes in interest rates is limited to exposure denominated in Australian dollars due to our policy of mitigating interest rate risk exposure on foreign currency debt. As a result, the sensitivity analysis below has only been performed based on movements in Australian interest rates. As at reporting date, if Australian interest rates had increased and decreased by 234 basis points as at 31 December 2024 (2023: 249 basis points), with all other variables held constant, post-tax profit and equity would have increased/(decreased) as follows:

Sensitivity Analysis

	2024		2023	
	Net profit/(loss) $'000	**Equity $'000**	Net profit/(loss) $'000	Equity $'000
Increase in Australian interest rates	**(16,559)**	**262,853**	(10,833)	284,601
Decrease in Australian interest rates	**15,468**	**(307,749)**	11,642	(335,748)

SECTION D FINANCING OUR BUSINESS

(b) Currency risk

The Group's policy is to eliminate all currency risk due to funding activities in offshore debt markets. All foreign currency denominated debt has been fully hedged through the use of cross currency swaps into Australian dollar debt. Other foreign exchange rate exposures arising from commitments to foreign currency purchases are managed within approved policy parameters utilising forward foreign exchange contracts.

The objective of the Group's currency risk management program is to eliminate material foreign exchange risk by utilising various hedging techniques as approved by the Board. The Group therefore considers currency risk exposure to be minimal.

The Group enters into cross currency swaps to manage exposures from foreign currency loans in USD, CNY, HKD and JPY (refer note D3(c)). It is the policy of the Group to cover 100 per cent of the exposure generated by these loans.

Under cross currency swaps, the Group agrees to exchange specified principal and interest foreign currency amounts at an agreed future date at a specified exchange rate. Such contracts enable the Group to mitigate the risk of adverse movements in foreign exchange rates.

As at balance date, the Group held the following cross currency swaps for foreign currency denominated borrowings. The maturity of these swaps matches the maturity of the relevant foreign currency denominated borrowings.

	2024 $'000	2023 $'000
Cross currency swaps notional amounts		
USD	**1,319,558**	1,319,558
HKD	**1,152,890**	1,007,222
CNH	**97,793**	97,793
JPY	**47,980**	-
	2,618,221	2,424,573

The Group also enters into forward foreign exchange contracts to hedge the exchange rate risk in relation to specific purchase orders (refer note D3 (d)). It is the policy of the Group to fully hedge currency exposures above an approved threshold once the exposure is recognised. The derivative financial instrument used to hedge the exposure is entered into when there is a high degree of certainty as to the nature of the exposure, including currency, amount and delivery date so as to ensure a high level of effectiveness in cash flow hedging.

As at balance date, the Group had the following financial assets and liabilities exposed to currency risk that were not designated in a hedging relationship.

	2024 $'000	2023 $'000
Financial assets:		
Cash (USD denominated)	**81**	463
	81	463

Sensitivity analysis performed by management showed that movement in foreign currencies and the impact on net profit and equity is not material.

SECTION D FINANCING OUR BUSINESS

(c) Credit risk

Credit risk refers to the risk a counterparty will default on its contractual obligations resulting in financial loss to the Group and arises from the Group's financial assets, comprising cash and cash equivalents, trade and other receivables and derivative financial instruments.

The Group has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate values of transactions conducted are spread amongst approved counterparties. The Group therefore considers credit risk exposure to be minimal.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with strong investment grade credit ratings assigned by international credit rating agencies. Accounts receivable consist of a number of customers, spread across a range of industries and geographical areas. In most part, the Group's revenue is sourced from its regulated energy networks, contracted gas pipelines with large industrial customers, and maintenance services provided predominantly to other regulated energy utilities. Despite the relatively low risk of bad debts, the Group regularly monitors the financial condition of its accounts receivable balances to ensure the exposure to bad debts is minimised. Refer to note B7 for more information.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for impairment losses and credit value adjustments, represents the Group's maximum exposure to credit risk.

(d) Liquidity risk

The Group targets a minimum net liquidity, defined as available short term funds and committed financing facilities. As at balance date, the Group had the following committed financing facilities available:

	2024 $'000	2023 $'000
Floating rate		
Unsecured working capital, reviewed annually:		
- Amounts used - bank guarantees	**37,607**	37,234
- Amount unused	**162,393**	162,766
Unsecured bilateral facilities with various maturity dates and which may be extended by mutual agreement:		
- Amount used	**537,793**	502,793
- Amount unused	**25,000**	60,000
Unsecured syndicated bank loan facilities:		
- Amount used	**975,000**	950,000
- Amount unused	**525,000**	230,000
Total amount used	**1,550,400**	1,490,027
Total amount unused (refer note A1(a))	**712,393**	452,766

The Group manages liquidity risk by maintaining adequate cash reserves, committed banking facilities and reserve borrowing facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As part of managing liquidity risk, the Group aims to maintain a diversified debt portfolio, in terms of maturity and source. In this regard, the Group has raised funds in both the bank debt market, the domestic and offshore capital markets. The investment grade credit rating of the Group ensures ready access to both domestic and offshore capital markets.

Liquidity risk is managed by the Group based on expected net cash inflows and outflows from financial assets and liabilities and available banking facilities combined with access to global capital markets.

The Group continues to manage liquidity and refinancing risks in accordance with the Board approved treasury management framework and long term funding principles. The following table summarises the maturities of the Group's financial assets and liabilities based on the remaining earliest contractual maturities at carrying amount.

SECTION D FINANCING OUR BUSINESS

(d) Liquidity risk

	Carrying amounts $'000	Undiscounted contractual cash flow: Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
As at 31 December 2024						
Financial assets						
Cash and cash equivalents	57,815	57,815	-	-	-	57,815
Receivables	333,925	338,296	-	-	-	338,296
Lease receivables*	80,309	12,126	12,354	28,719	62,465	115,664
Interest rate swaps	216,722	59,476	44,900	113,441	63,571	281,388
Cross-currency swaps	360,218	-	-	-	-	-
Cross currency swaps - receive	-	94,212	1,003,624	1,776,359	325,477	3,199,672
Cross currency swaps - pay	-	(133,611)	(882,241)	(1,496,285)	(304,461)	(2,816,598)
Forward foreign currency contracts	290	262	35	-	-	297
	1,049,279	428,575	178,671	422,234	147,053	1,176,534
Financial liabilities						
Variable interest rate loans	1,227,580	511,307	1,071,288	378,503	297,054	2,258,152
Fixed interest rate loans	4,658,936	142,256	945,908	2,751,636	1,103,608	4,943,408
Convertible instruments	-	-	-	-	-	-
Payables	214,529	214,529	-	-	-	214,529
Lease liabilities	93,711	29,839	27,396	43,664	-	100,899
Interest rate swaps	55,439	13,567	13,362	33,842	(2,310)	58,461
Cross-currency swaps	-	-	-	-	-	-
Cross-currency swaps - receive	-	(9,196)	(9,196)	(27,542)	(251,968)	(297,902)
Cross-currency swaps - pay	-	12,212	11,526	35,428	266,558	325,725
Forward foreign currency contracts	-	-	-	-	-	-
	6,250,195	914,514	2,060,286	3,215,531	1,412,941	7,603,271
Net maturity		(485,938)	(1,881,614)	(2,793,296)	(1,265,888)	(6,426,737)

* The unearned finance income arising from the lease receivables is $35.4 million (2023: $36.7 million).

SECTION D FINANCING OUR BUSINESS

		Undiscounted contractual cash flow				
	Carrying amounts $'000	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
As at 31 December 2023						
Financial assets						
Cash and cash equivalents	30,889	30,889	-	-	-	30,889
Receivables	295,050	299,633	-	-	-	299,633
Lease receivables*	90,889	11,920	12,126	34,393	69,145	127,584
Interest rate swaps	244,123	61,722	43,652	104,919	84,021	294,314
Cross-currency swaps	96,434	-	-	-	-	-
Cross currency swaps - receive	-	65,196	65,210	1,916,204	294,276	2,340,886
Cross currency swaps - pay	-	(105,884)	(97,821)	(1,751,144)	(283,986)	(2,238,835)
Forward foreign currency contracts	74	74	-	-	-	74
	757,459	363,550	23,167	304,372	163,456	854,545
Financial liabilities						
Variable interest rate loans	1,204,095	85,399	427,923	921,018	483,652	1,917,992
Fixed interest rate loans	4,232,222	376,112	116,737	2,520,840	1,539,612	4,553,301
Convertible instruments	800,000	82,000	82,000	246,000	2,577,266	2,987,266
Payables	185,673	185,673	-	-	-	185,673
Lease liabilities	101,496	26,865	24,894	59,217	-	110,976
Interest rate swaps	62,326	13,078	12,756	38,249	5,153	69,236
Cross-currency swaps	12,427	-	-	-	-	-
Cross-currency swaps - receive	-	(22,563)	(22,576)	(156,625)	(486,453)	(688,217)
Cross-currency swaps - pay	-	29,534	26,930	169,560	516,279	742,303
Forward foreign currency contracts	144	135	2	-	-	137
	6,598,383	776,233	668,666	3,798,259	4,635,509	9,878,667
Net maturity		(412,683)	(645,499)	(3,493,887)	(4,472,053)	(9,024,122)

SECTION D FINANCING OUR BUSINESS

(e) Fair value of financial assets and liabilities

The Group classified the fair value measurements (refer note F1) of its financial instruments using a level 2 fair value hierarchy that reflects the significance of the inputs used in making the measurements. Fair value is measured using valuation techniques and significant market observable data as well as market corroboration based on active quotes. These include industry standard interest rate, foreign exchange and currency basis yield curves sourced directly from the Treasury Management System. In addition, an adjustment to the fair value for all cross currency and interest rate swap contracts is applied for credit risk in accordance with *AASB 13 Fair Value Measurement*. Credit risk is obtained directly from the observable Credit Default Swap curves within the Treasury Management System for each of the relevant counterparties, with the Bilateral Credit Risk applied uniformly across all swap assets and liabilities as at balance date.

With the exception of the below, the fair values of other financial assets and liabilities approximate their carrying amounts.

	Carrying amount		Fair value	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Financial liabilities				
Debt securities (fixed rate)	**4,118,227**	3,731,939	**3,602,374**	3,467,440
Debt securities (floating rate)	**260,000**	260,000	**266,126**	262,722

(f) Financial covenants

As disclosed in D1(b) and D4(d), the Group's secured bank loans are subject to specific covenants. A breach occurs if, on 30 June or 31 December of each year, (i) the Interest Cover Ratio falls to 1.5 times or below, or (ii) the Gearing Ratio reaches or exceeds 70%. In such cases, the Group may be required to repay its liabilities earlier than the contractual maturity dates.

The Group regularly monitors compliance with its financial covenants and reports the outcome to its banking syndicate on a semi-annual basis. There were no covenant breaches during the year, and the Group expects to remain in compliance with the covenants for the next 12 months from the reporting date.

D5 Share capital

(a) Accounting policy

Ordinary share capital is recorded at the fair value of consideration received. The costs of issuing securities are charged against the share capital. Ordinary share capital bears no special terms or conditions affecting income or Capital entitlements of the shareholders.

(b) Summary

	2024	2023
Fully paid ordinary shares (at $1 each)	**4,000,000,100**	3,200,000,100
	4,000,000,100	3,200,000,100

On 29 February 2024, the Company agreed the terms of a capital restructure in relation to the $800.0 million of CI entered into in 2015 with State Grid International Development Australia Investment Company Limited (SGIDAIC) and Singapore Power International Ltd (SPI).

As part of the capital restructure, on 20 June 2024, the $800.0 million face value of the CI was converted by SGIDAIC and SPI into fully paid ordinary shares in SGSPAA in proportion to their existing shareholding in the Company. This simplifies SGSPAA's capital structure, which now comprises a total of $4.0 billion of ordinary shares after the restructure, in addition to external funding arrangements.

SECTION D FINANCING OUR BUSINESS

D6 Reconciliation of movements of assets and liabilities to cash flows arising from financing activities

	1 January 2024	Cash flows				Non-cash changes			31 December 2024
	Opening Balance $'000	Proceeds from borrowings $'000	Repayment of borrowings $'000	Payment of lease liabilities $'000	Other $'000	Fair value changes $'000	Additions/ (Disposals) $'000	Other $'000	Closing Balance $'000
Interest bearing liabilities									
Bank loans	1,444,378	804,000	(744,000)	-	-	5,426	-	(1,515)	1,508,289
Debt securities	3,991,939	343,648	(250,000)	-	-	290,676	-	1,963	4,378,227
Convertible Instruments	800,000	-	-	-	-	-	-	(800,000)	-
	6,236,317	1,147,648	(994,000)	-	-	296,102	-	(799,552)	5,886,516
Derivative financial instruments - Assets									
Cross currency swap contracts	(96,434)	-	-	-	-	(263,784)	-	-	(360,218)
Interest rate swap contracts	(244,123)	-	-	-	-	27,401	-	-	(216,722)
Forward foreign exchange contracts	(74)	-	-	-	-	(216)	-	-	(290)
	(340,631)	-	-	-	-	(236,599)	-	-	(577,230)
Derivative financial instruments - Liabilities									
Cross currency swap contracts	12,427	-	-	-	-	(12,427)	-	-	-
Interest rate swap contracts	62,326	-	-	-	-	(6,887)	-	-	55,439
Forward foreign exchange contracts	144	-	-	-	-	(144)	-	-	-
	74,897	-	-	-	-	(19,458)	-	-	55,439
Lease liabilities									
Lease liabilities	101,496	-	-	(32,327)	-	-	20,562	3,980	93,711
	101,496	-	-	(32,327)	-	-	20,562	3,980	93,711

SECTION D FINANCING OUR BUSINESS

D6 Reconciliation of movements of assets and liabilities to cash flows arising from financing activities

	1 January 2023	Cash flows				Non-cash changes			31 December 2023
	Opening Balance $'000	Proceeds from borrowings $'000	Repayment of borrowings $'000	Payment of lease liabilities $'000	Other $'000	Fair value changes $'000	Additions/ (Disposals) $'000	Other $'000	Closing Balance $'000
Interest bearing liabilities									
Bank loans	825,154	1,687,793	(1,065,000)	-	-	(2,510)	-	(1,059)	1,444,378
Debt securities	4,605,811	386,001	(829,446)	-	-	(173,076)	-	2,649	3,991,939
Convertible Instruments	800,000	-	-	-	-	-	-	-	800,000
	6,230,965	2,073,794	(1,894,446)	-	-	(175,586)	-	1,590	6,236,317
Derivative financial instruments - Assets									
Cross currency swap contracts	(292,479)	-	-	-	-	196,045	-	-	(96,434)
Interest rate swap contracts	(341,112)	-	-	-	-	96,989	-	-	(244,123)
Forward foreign exchange contracts	-	-	-	-	-	(74)	-	-	(74)
	(633,591)	-	-	-	-	292,960	-	-	(340,631)
Derivative financial instruments - Liabilities									
Cross currency swap contracts	14,023	-	-	-	-	(1,596)	-	-	12,427
Interest rate swap contracts	76,951	-	-	-	-	(14,625)	-	-	62,326
Forward foreign exchange contracts	94	-	-	-	-	50	-	-	144
	91,068	-	-	-	-	(16,171)	-	-	74,897
Lease liabilities									
Lease liabilities	100,768	-	-	(30,063)	-	-	26,150	4,641	101,496
	100,768	-	-	(30,063)	-	-	26,150	4,641	101,496

SECTION D FINANCING OUR BUSINESS

D7 Leases

(a) Accounting policy

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for the period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor
When the Group acts as a lessor, it determines at lease inception whether each lease is a finance or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies AASB 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in AASB 9 to the net investment in the lease and regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

SECTION D FINANCING OUR BUSINESS

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) Critical accounting estimates and judgements

The assessment of lease term requires judgement as to whether the Group is reasonably certain to exercise extension options.

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group re-assesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

(c) Right of use asset movements

	Land and Buildings $'000	Motor Vehicles $'000	Other Property, Plant and Equipment $'000	Total $'000
Year ended 31 December 2024				
Opening carrying amount - 1 January 2024	**31,313**	**20,489**	**210**	**52,012**
Additions	**6,328**	**17,501**	**1,329**	**25,158**
Depreciation charge	**(8,822)**	**(10,997)**	**(801)**	**(20,620)**
Disposals	**(8)**	**(8)**	**-**	**(16)**
Impairment loss	**-**	**-**	**-**	**-**
Closing carrying amount - 31 December 2024	**28,811**	**26,985**	**738**	**56,534**
At 31 December 2024				
Cost	**99,464**	**83,497**	**5,806**	**188,767**
Accumulated depreciation	**(70,653)**	**(56,512)**	**(5,068)**	**(132,233)**
Carrying amount	**28,811**	**26,985**	**738**	**56,534**
Year ended 31 December 2023				
Opening carrying amount - 1 January 2023	35,119	11,985	775	47,879
Additions	8,669	17,242	238	26,149
Depreciation charge	(9,196)	(8,738)	(803)	(18,737)
Disposals	-	-	-	
Impairment loss	(3,279)	-	-	(3,279)
Closing carrying amount - 31 December 2023	31,313	20,489	210	52,012
At 31 December 2023				
Cost	93,244	66,284	4,477	164,005
Accumulated depreciation	(61,931)	(45,795)	(4,267)	(111,993)
Carrying amount	**31,313**	**20,489**	**210**	**52,012**

(d) Lease receivables

At 31 December 2024, the lease receivables pertain to two categories: property sub-leases, which are classified as finance sub-leases and finance leases of the Group's owned infrastructure assets.

The maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date, is disclosed in note D4(d).

SECTION E GROUP STRUCTURE

E1 Parent entity information

(a) Parent entities

The Company is the ultimate Australian parent of the Group.

The ultimate parent entity is State Grid Corporation of China ("SGCC").

SECTION E GROUP STRUCTURE

(b) Financial information of the Company

	2024 $'000	2023 $'000
Balance sheet		
Current assets	**5,380,012**	4,818,971
Non-current assets	**6,623,669**	6,257,242
Total assets	**12,003,681**	11,076,213
Current liabilities	**3,959,808**	3,147,070
Non-current liabilities	**4,991,734**	5,669,547
Total liabilities	**8,951,542**	8,816,617
Share capital	**4,000,000**	3,200,000
Reserves	**107,589**	136,472
Retained earnings	**35,182**	13,756
Accumulated losses	**(1,090,632)**	(1,090,632)
Total equity	**3,052,139**	2,259,596
Income statement		
Profit for the year	**274,226**	168,901
Other comprehensive loss for the year	**(28,884)**	(71,192)
Total comprehensive income for the year	**245,342**	97,709
Dividends		
Dividends paid to shareholders: $0.07 per share (year ended 31 December 2023: $0.05 per share)	**252,800**	159,300

(c) Disclosures of the Company

The Company has provided performance guarantees on behalf of the Group. No liability was recognised as the fair value of the guarantees is immaterial.

The Company did not have any contractual commitments for the acquisition of property, plant and equipment as at 31 December 2024 nor 31 December 2023.

SECTION E GROUP STRUCTURE

E2 Subsidiaries

(a) Accounting policy

(i) Business combinations

The Group accounts for business combinations using the acquisition method. The Group identifies the acquirer and the acquisition date. As of the acquisition date, the Group recognises the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values. Then, the Group recognises goodwill as of the acquisition date, measured as the excess of the fair value of consideration transferred over the net assets or net liabilities recognised as described.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and other components of equity. Any resulting gain or loss is recognised in the income statement. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities, equity, revenues and expenses and cash flows of the following subsidiaries:

Name of entity	Name of entity
Jemena Limited	Jemena Queensland Gas Pipeline (1) Pty Ltd
Jemena Asset Management Pty Ltd	Jemena Queensland Gas Pipeline (2) Pty Ltd
Jemena Asset Management (5) Pty Ltd	Jemena Malabar Pipeline Pty Ltd
Jemena Management Holdings Pty Ltd	Jemena Colongra Pty Ltd
Jemena Management Services Pty Ltd	Jemena EH Pty Ltd
Jemena Electricity Networks (Vic) Ltd	Jemena Holdings Pty Ltd
Jemena Gas Networks (NSW) Ltd	Jemena Group Holdings Pty Ltd
Jemena Gas Pipelines Holdings Pty Ltd	QGP Unit Trust
Jemena Eastern Gas Pipeline (1) Pty Ltd	Jemena Gas Trust
Jemena Eastern Gas Pipeline (2) Pty Ltd	Jemena Northern Gas Pipeline Pty Ltd
Jemena Eastern Gas Pipeline (3) Pty Ltd	Jemena Darling Downs Pipeline (1) Pty Ltd
Jemena Networks (ACT) Pty Ltd	Jemena Darling Downs Pipeline (2) Pty Ltd
Jemena Eastern Gas Pipeline Holdings Pty Ltd	Jemena Darling Downs Pipeline (3) Pty Ltd
Jemena Roma North Pipeline Pty Ltd	Ovida Infrastructure Pty Ltd
Jemena Atlas Processing Pty Ltd	Ovida Pty Ltd
Jemena Roma North Processing Pty Ltd	CLM Infrastructure Pty Ltd
Jemena Contracting Services (West) Pty Ltd	Zinfra Pty Ltd
Jemena NSGC Pty Ltd	ZNX Pty Ltd
Jemena Gas Transmission Pty Ltd	ZNX (2) Pty Ltd
Jemena VicHub Pipeline Pty Ltd	Zinfra Contracting Pty Ltd

All subsidiaries are incorporated in Australia and 100% of their share capital / units issued was owned by the Group during the current year and prior year.

SECTION E GROUP STRUCTURE

E3 Deed of Cross-Guarantee

Pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785* the wholly-owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports, and Directors' reports.

It is a condition of the Instrument that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee ("ASIC Deed"). The effect of the Deed is that in an insolvency scenario each party to the deed will guarantee payment to creditors of the proven debts of an insolvent entity that is party to the ASIC Deed.

In the year ended 31 December 2019, the Company entered into two ASIC Deeds, being with Jemena subsidiaries ("Jemena closed group") and Zinfra subsidiaries ("Zinfra closed group") as specified below:

The subsidiaries subject to the Jemena closed group Deed are:

Jemena Limited
Jemena Asset Management Pty Ltd
Jemena Management Holdings Pty Ltd
Jemena Management Services Pty Ltd
Jemena Electricity Networks (Vic) Ltd
Jemena Gas Networks (NSW) Ltd
Jemena Gas Pipelines Holdings Pty Ltd
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Jemena Eastern Gas Pipeline (3) Pty Ltd
Jemena Networks (ACT) Pty Ltd
Jemena Eastern Gas Pipeline Holdings Pty Ltd
Jemena Roma North Pipeline Pty Ltd
Jemena Gas Transmission Pty Ltd
Jemena VicHub Pipeline Pty Ltd
Jemena Queensland Gas Pipeline (1) Pty Ltd
Jemena Queensland Gas Pipeline (2) Pty Ltd
Jemena Malabar Pipeline Pty Ltd
Jemena Colongra Pty Ltd
Jemena EH Pty Ltd
Jemena Holdings Pty Ltd
Jemena Group Holdings Pty Ltd
Jemena Northern Gas Pipeline Pty Ltd
Jemena Darling Downs Pipeline (1) Pty Ltd
Jemena Darling Downs Pipeline (2) Pty Ltd
Jemena Darling Downs Pipeline (3) Pty Ltd

The subsidiaries subject to the Zinfra closed group Deed are:

Zinfra Pty Ltd
ZNX (2) Pty Ltd
Zinfra Contracting Pty Ltd
ZNX Pty Ltd

There have been no changes to either the Jemena closed group or the Zinfra closed group during the year ended 31 December 2024.

SECTION E GROUP STRUCTURE

A consolidated income statement, comprehensive income and balance sheet, comprising the Company and controlled entities which are a party to the ASIC Deeds, after eliminating all transactions between parties to the ASIC Deeds for the year ended 31 December 2024 is set out as follows:

Income statement for the year ended 31 December 2024

	2024		2023	
	Jemena closed group* $'000	**Zinfra closed group* $'000**	Jemena closed group* $'000	Zinfra closed group* $'000
Revenue and other income	**1,582,630**	**1,588,659**	1,412,287	1,317,209
Share of net profits of associate and joint venture	**97,813**	**56,572**	134,311	46,322
Employee benefits expense	**(231,366)**	**(444,756)**	(212,585)	(383,391)
Depreciation and amortisation expense	**(379,703)**	**(21,023)**	(306,655)	(19,466)
Materials and services expense	**(397,873)**	**(698,206)**	(431,558)	(538,465)
Operating profit	**671,501**	**481,246**	595,800	422,209
Finance income	**8,429**	**45,983**	8,477	43,178
Finance costs	**(227,120)**	**(232,510)**	(253,868)	(257,513)
Net finance costs	**(218,691)**	**(186,527)**	(245,391)	(214,335)
Profit before income tax	**452,810**	**294,719**	350,409	207,874
Income tax (expense)/benefit	**(120,353)**	**29,010**	(126,851)	6,331
Profit for the year	**332,457**	**323,729**	223,558	214,205
Other comprehensive (loss)/income for the year (**)	**(31,871)**	**(30,590)**	(79,978)	(79,890)
Total comprehensive income for the year	**300,586**	**293,139**	143,580	134,315

During the year, the Company paid dividends of $252.8 million to the shareholders (2023: $159.3 million).

* The closed group comprises SGSPAA and certain Jemena (for Jemena closed group) or Zinfra (for Zinfra closed group) subsidiaries as listed above.

** Other comprehensive income comprises defined benefit superannuation plan actuarial gain/(loss), movement in hedging reserve and share of other comprehensive income from the associate.

SECTION E GROUP STRUCTURE

Balance sheet as at 31 December 2024

	2024		2023	
	Jemena closed group* $'000	**Zinfra closed group* $'000**	Jemena closed group* $'000	Zinfra closed group* $'000
Current assets				
Cash at bank and in hand	**-**	**58,197**	5,739	24,859
Receivables	**227,277**	**3,752,355**	184,851	3,646,555
Inventories	**13,263**	**69,349**	14,681	62,136
Derivative financial instruments	**1,340**	**1,132**	1,327	1,253
Prepayments and deposits	**32,520**	**4,386**	30,784	3,386
Total current assets	**274,400**	**3,885,419**	237,382	3,738,189
Non-current assets				
Property, plant and equipment	**8,473,123**	**35,719**	8,292,188	18,669
Intangible assets	**1,689,760**	**38,763**	1,693,457	41,293
Investment in subsidiaries	**-**	**4,715,299**	-	4,715,299
Investments in associate and joint venture	**1,600,546**	**441,163**	1,565,821	296,511
Right of use assets	**23,160**	**33,374**	27,541	24,472
Lease receivable	**73,845**	**-**	83,896	-
Derivative financial instruments	**575,864**	**575,833**	339,304	339,304
Defined benefit superannuation plans	**17,156**	**37,498**	15,152	34,508
Total non-current assets	**12,453,454**	**5,877,649**	12,017,359	5,470,056
TOTAL ASSETS	**12,727,854**	**9,763,068**	12,254,741	9,208,245
Current liabilities				
Payables	**327,214**	**134,815**	280,097	105,161
Provisions	**93,946**	**93,888**	99,077	91,427
Interest bearing liabilities	**614,388**	**614,388**	249,522	249,522
Income tax payable	**17,072**	**17,072**	117,555	117,555
Contract liabilities	**150,827**	**45,068**	107,909	19,696
Derivative financial instruments	**-**	**-**	106	36
Lease liabilities	**16,294**	**10,226**	15,473	7,700
Total current liabilities	**1,219,741**	**915,457**	869,739	591,097
Non-current liabilities				
Interest bearing liabilities	**5,272,128**	**5,272,128**	5,986,795	5,986,795
Provisions	**96,201**	**10,228**	111,678	9,265
Deferred tax	**1,159,294**	**34,054**	1,127,193	37,568
Lease liabilities	**43,098**	**24,093**	60,826	17,497
Contract liabilities	**15,009**	**-**	4,594	-
Derivative financial instruments	**55,438**	**55,438**	74,755	74,752
Total non-current liabilities	**6,641,168**	**5,395,941**	7,365,841	6,125,877
TOTAL LIABILITIES	**7,860,909**	**6,311,398**	8,235,580	6,716,974
Net assets	**4,866,945**	**3,451,670**	4,019,161	2,491,271
Share capital	**4,000,000**	**4,000,000**	3,200,000	3,200,000
Reserves	**(39,615)**	**216,790**	(6,807)	249,765
Retained earnings	**906,560**	**(765,120)**	825,968	(958,494)
TOTAL EQUITY	**4,866,945**	**3,451,670**	4,019,161	2,491,271

* The closed group comprises SGSPAA and certain Jemena (for Jemena closed group) or Zinfra (for Zinfra closed group) subsidiaries as listed above.

Jemena's closed group current liabilities exceed its current assets by $945.3M, mainly due to the nature of the business and the classification of debt facilitates that are set to mature in 2025. On the basis of present forecasts for positive future operating cash flows, the ability of the closed group to manage its investing activities and the current status of refinancing activities for debt facilities which mature over the next twelve months, there are reasonable grounds to believe that each entity of the closed group will be able to meet any liabilities to which they are, or may become, liable pursuant to the ASIC Deed.

SECTION E GROUP STRUCTURE

E4 Related party transactions

(a) Related entities

Following are the Group's related entities which are identified in accordance with AASBs:

- The Group, via Zinfra, engages in related party transactions with its associate, UEDH, for construction and maintenance of its electricity network in Victoria.
- The Group engages in related party transactions with its joint venture, ADP, to develop, construct, operate and maintain the electricity network and the gas networks in ACT, Queanbeyan and Nowra.
- The Group, via Zinfra, provided construction services to ElectraNet in relation to electricity transmission in South Australia. ElectraNet is a related entity via one of the Company's shareholders.

Services between related parties are provided on mutually agreed terms.

(b) Subsidiaries

Interests in subsidiaries are set out in note E2(b).

(c) Key management personnel

Key management personnel compensation paid (including salaries, superannuation and bonuses) is set out below. The key management personnel of the Group comprise the directors and those executives that report directly to the Managing Director.

	2024 $	2023 $
Short-term employee benefits	**8,783,837**	13,911,506
Long-term employee benefits	**1,249,430**	915,882
Post-employment benefits	**314,112**	275,775
Total	**10,347,379**	15,103,163

(d) Transactions with related parties

The following transactions occurred with related parties:

	2024 $'000	2023 $'000
Sales of goods and services		
Associate	**182,218**	182,106
Joint venture	**31,021**	28,597
Other income		
Associate - interest on redeemable preference shares	**9,520**	18,487
Associate – directors' fees	**30**	30
Joint venture – directors' fees	**253**	269
Purchase of goods		
Administration expenses to shareholders	**7**	7

SECTION E GROUP STRUCTURE

	2024 $'000	2023 $'000
Finance costs		
Shareholders	**-**	40,663
Dividend payments		
Dividend payments to:		
Shareholders	**252,800**	159,300

(e) Outstanding balances with related parties

The following related party balances are outstanding at balance date:

	2024 $'000	2023 $'000
Current receivables		
Associate	**30,301**	44,659
Joint venture	**7,304**	7,090
Other related parties	**5,712**	-
Current payables		
Shareholders *	**-**	800,000

* The balance pertains to the $800 million of CI entered into in 2015 with SGIDAIC and SPI. Refer to note D5 for further information regarding the conversion of this CI.

SECTION F OTHER DISCLOSURES

F1 Fair value measurement

(a) Accounting policy

The Group defines a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:
- Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

F2 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company and its subsidiaries.

(a) Audit services

	2024 $	2023 $
Statutory audit	**550,000**	550,000
Regulatory audits	**681,000**	681,000
Total remuneration for audit services	**1,231,000**	1,231,000

(b) Other services

	2024 $	2023 $
Taxation services	**14,212**	48,585
Other assurance services	**160,309**	138,500
Regulatory advisory services	**68,267**	121,581
Total remuneration for other services	**242,788**	308,666

The Group employs KPMG to perform both the statutory audit and the audit of regulatory returns as these returns represent an extension of the information obtained from the statutory audit. Using the same firm for both audits contributes to the efficiency of the audit process.

F3 Events occurring after balance date

No matters or circumstances have arisen since balance date that significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future years.

Directors' declaration

For the year ended 31 December 2024

In the directors' opinion:

1. the consolidated financial statements and notes set out on pages 4 to 64 are in accordance with the *Corporations Act 2001*, including:

   (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the year ended on that date; and

   (b) complying with Australian Accounting Standards, *the Corporations Regulations 2001* and other mandatory professional reporting requirements.

2. there are reasonable grounds to believe that the Company:

   (a) will be able to pay its debts as and when they become due and payable; and

   (b) together with the group subsidiaries identified in Note E3, as parties to the Deeds of Cross Guarantee ("ASIC Deeds"), will be able to meet any liabilities to which they are, or may become, liable pursuant to the ASIC Deeds.

3. the directors draw attention to Note A1 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the board of directors.

Director: .....

Director: .....

Date: 20 March 2025

Independent Auditor's Report

To the shareholders of SGSP (Australia) Assets Pty Ltd

Opinion

We have audited the ***Financial Report*** of SGSP (Australia) Assets Pty Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 31 December 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated balance sheet as at 31 December 2024
- Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated cash flow statement for the year then ended 31 December 2024
- Notes to the financial statements, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Recoverability of non-current assets, including property, plant and equipment and intangible assets
- Recognition of revenue

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of non-current assets, including property, plant and equipment ($8,329.7m) and intangible assets ($1,728.5m)	
Refer to Note C5 Impairment Testing	
The key audit matter	**How the matter was addressed in our audit**
Recoverability of non-current assets is a key audit matter due to the: • size of non-current assets (being 96% of total assets); • complex nature of the regulatory framework for determining future revenue and expenditures applicable to the Group's regulated cash generating units (CGUs). This impacts the Group's ability to forecast cash flows for regulated CGUs. This increases the risk of inaccurate forecasts and a wider range of outcomes for us to consider; • Group using complex models to perform its impairment testing. The models use some inputs that are not based on observable market data, deemed level three within the Fair Value Hierarchy as is common for estimates of this nature. This drives additional audit effort associated with gathering evidence in relation to forward looking assumptions applied in the Group's discounted cash flow models for each CGU. Key assumptions in the cash flow models include terminal values, expected capital expenditure, growth rates and discount rates; • sensitivity of certain CGUs to changes in key assumptions;	Working with our valuation specialists where relevant, our procedures included: • considering the appropriateness of the fair value less costs of disposal method applied by the Group to perform the test of non-current assets for impairment against the requirements of the accounting standards; • evaluating key controls over the cash flow models, including review and approval of key assumptions and business unit budgets which form the basis of the cash flow forecasts; • considering the sensitivity of the models by varying key assumptions such as growth rates, terminal values and discount rates to identify those CGUs at higher risk of impairment and to focus our further procedures; • assessing the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the models; • assessing cash flow model integrity, including the accuracy of the underlying calculation formulas; • using our industry knowledge and publicly available data, such as regulator information and industry outlooks, assessing the impact of relevant regulatory, technology and other market developments on the Group's discounted cash flow model assumptions; • comparing forecast cash flows contained in the discounted cash flow models to Board approved forecasts; • comparing key capital projects to the Board approved plan and strategy; • comparing a sample of cash flows to customer contracts and historical performance, taking into consideration expected changes in the Group and the environment in which it operates; • checking the consistency of the growth rates to the Group's stated plan and strategy, past performance of the Group, and our experience regarding the feasibility of these in the industry/regulatory environment in which it operates;

• discount rates being complicated in nature and varying according to the conditions and environment the specific CGU is subject to from time to time; and • uncertainty in energy policies and new developments in the Group's industry that are expected to impact the recoverability of the assets, increasing our focus in this area. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	• assessing longer term growth assumptions against regulatory information and industry outlooks; • assessing terminal value multiples by considering against publicly available data of a group of comparable entities; • independently developing a discount rate range for each CGU using publicly available market data for comparable entities to the CGU to assess the Group's discount rates; • comparing implied multiples from comparable market transactions to the implied multiple from the Group's discounted cash flow models and CGU carrying values; and • assessing disclosures in the financial report against the requirements of accounting standards.

Recognition of revenue ($2,228.8m)	
Refer to Note B2 Revenue and other information	
The key audit matter	**How the matter was addressed in our audit**
Revenue recognition is a key audit matter due to the: • regulatory framework and billing process for the distribution of electricity and gas, in particular the: - inherent complexity in the Group's customer billings processes and systems to estimate energy consumed; and - judegment required to audit the Group's revenue accrual which estimates the unbilled period between the customer's last bill and reporting date. This estimate includes assumptions and data as to consumption patterns and tariffs. • judgement required to audit the Group's estimate of revenue relating to infrastructure services. This estimate includes forward looking assumptions for forecast revenue and costs to complete, stage of project activities and recoverability of unapproved variations and claims.	Our procedures included: • evaluating the appropriateness of the Group's accounting policies for revenue recognition against accounting standard requirements; • working with our Information Technology specialists to test key controls in the revenue process, including interfaces between systems and those relating to recording and billing revenue over accounting periods; • comparing a sample of system tariffs from the Group's billing system to regulatory determinations; • comparing revenue recognised by the Group to our expectation considering historical performance, regulatory determinations, and energy consumption data and forecasts for the industry; • developing an expectation of the expected unbilled energy distribution revenue at year end using historical customer consumption and published prices, and comparing this to the reported accrued revenue; • comparing a sample of accrued revenue balances to actual customer billings subsequent to the year-end, considering the portion of the billing period before year-end; • comparing inputs for a sample of infrastructure services revenue to underlying documentation including customer contracts, variations and claims documentation; • on a sample basis, assessing the Group's assumptions relating to the recoverability of infrastructure services revenue by comparing forecast revenue and cost assumptions used by the Group to estimate revenue relating to infrastructure services against source documents including approved project budgets and customer contracts. We also compared them to actual costs incurred to date and the actual stage of project activities; and • assessing disclosures in the financial report against the requirements of accounting standards.

Other Information

Other Information is financial and non-financial information in SGSP (Australia) Assets Pty Ltd's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our Auditor's Report.

KPMG

Gordon Sangster
Partner
Melbourne
20 March 2025

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SGSP AUSTRALIA ASSETS

SGSP (AUSTRALIA) ASSETS PTY LTD

ABN 60 126 327 624

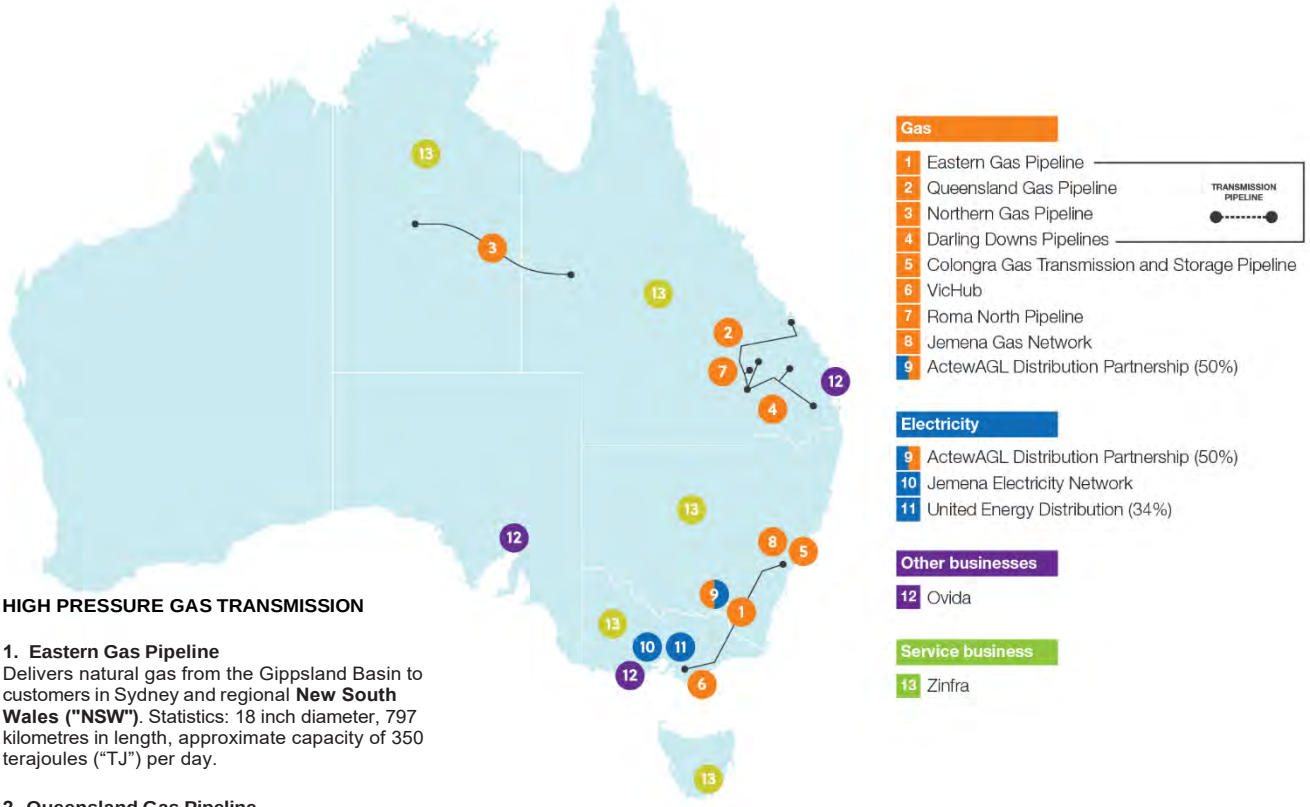
FINANCIAL REPORT

For the year ended 31 December 2023

PRINCIPAL ACTIVITIES

For the year ended 31 December 2023

SGSP (Australia) Assets Pty Ltd
ABN 60 126 327 624



HIGH PRESSURE GAS TRANSMISSION

1. Eastern Gas Pipeline
Delivers natural gas from the Gippsland Basin to customers in Sydney and regional **New South Wales ("NSW")**. Statistics: 18 inch diameter, 797 kilometres in length, approximate capacity of 350 terajoules ("TJ") per day.

2. Queensland Gas Pipeline
Delivers natural gas from the Surat Basin, Denison Trough and Bowen Basin to large industrial users in Gladstone and Rockhampton. Statistics: 12 inch diameter, 627 kilometres in length, approximate capacity of 140 TJ per day.

3. Northern Gas Pipeline
Delivers natural gas from Tennant Creek to Mt Isa. Construction was completed and first gas flowed in January 2019.
Statistics: 12 inch diameter, 623 kilometres in length, approximate capacity of 90 TJ per day.

4. Darling Downs Pipeline ("DDP") Network
Consists of three integrated pipelines extending from Spring Gully to Wallumbilla through to the Darling Downs Power Station. Statistics: 292kms in length and capacity ranging from 155TJ/d to 502TJ/d.
The DDP network also includes the Atlas Gas Processing Facility and pipeline connecting Surat Basin in QLD to the DDP.
Statistics: 60 kilometres in length and capacity of approximately 40TJ per day.

5. Colongra Gas Pipeline
Stores and delivers natural gas across 9 kilometres to the Colongra peaking power station at Munmorah.

6. VicHub is a pipeline interconnect facility situated at Longford. The facility enables gas to flow between the EGP, the Tasmanian gas pipeline and the Victorian gas transmission system. The facility has a nominal daily injection capacity of 150 TJ per day and a withdrawal capacity of 135 TJ per day.

7. Roma North Pipeline
Processes and delivers natural gas from the Surat Basin into the GLNG Comet Ridge to Wallumbilla Pipeline.
Statistics: 8 inch diameter, 5 kilometres in length, approximate capacity of 24 TJ per day.

GAS DISTRIBUTION

8. Jemena Gas Network was established in 1837 and is the principal gas distribution business in NSW**.** It typically delivers 90-95 petajoules of natural gas each year to more than 1.5 million homes and businesses throughout NSW.

9. The Group holds a 50% interest in the **ActewAGL Distribution Partnership ("ADP")**, primarily operating as 'Evoenergy'. The remaining 50% is ultimately held by the **Australian Capital Territory ("ACT")** government. ADP owns and operates the gas networks in the ACT, Queanbeyan-Palerang and Nowra.

ELECTRICITY DISTRIBUTION

9. ADP owns and operates the electricity distribution network in the ACT.

10. Jemena Electricity Network ("JEN") delivers electricity to over 370,000 homes and businesses through approximately 6,300 kilometres of distribution network covering approximately 950 square kilometres of northwest greater Melbourne.

11. The Group holds a 34% interest in **United Energy Distribution Holdings Pty Ltd ("UEDH")**. UEDH group delivers electricity to over 700,000 homes and businesses through a distribution network covering approximately 1,472 square kilometres of southeast Melbourne and the Mornington Peninsula.

OTHER BUSINESSES

12. The **Ovida** brand was established in compliance with the Australian Energy Regulator's Electricity Ringfencing Guideline which applies to JEN as a regulated electricity distribution business and requires, amongst other requirements, branding separation with any related entity providing contestable electricity services.

SERVICES BUSINESS

13. Zinfra provides engineering and design, project management, construction, civil, maintenance and asset operations services to the Australian utility infrastructure sectors and adjacent markets.

SGSP AUSTRALIA ASSETS

Financial report

For the year ended 31 December 2023

SGSP (Australia) Assets Pty Ltd
ABN 60 126 327 624

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The SGSPAA Group operates businesses under the following three brands:

Jemena
bringing energy to life

Zinfra

Ovida

Directors' report

For the year ended 31 December 2023

The board of directors of SGSP (Australia) Assets Pty Ltd (the "Company") presents its report together with the consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2023 and the auditor's report thereon.

Directors
The directors of the Company for the year ended 31 December 2023 and up to the date of this report (unless otherwise stated) are listed below:

Mr Jiang Longhua (Chairman)
Mr David Gillespie (Managing Director – effective 1 December 2023 and Acting Managing Director - 1 September 2023 to 30 November 2023)
Mr Frank Anton Tudor (Managing Director resigned - 31 August 2023)
Mr Peng Sun
Ms Jeanne Gueh Poh Tay
Mr Albert Yeuk Kuk Tse
Ms Yue Joo Chia
Ms Hui Chee Loong
Mr Warwick Leslie Smith

Principal activities
The Group owns and has interests in a portfolio of energy infrastructure assets and related businesses (operated under three brands, being Jemena, Zinfra and Ovida - with partially-owned interests operated under separate brands, United Energy and Evoenergy). Jemena is an investor in a portfolio of gas and electricity assets which is diversified in terms of geography and markets. Zinfra is a services business focused on delivering engineering, design and construction, as well as field based maintenance and operational services across gas and electricity utility infrastructure assets. The Ovida brand was established in compliance with the Australian Energy Regulator's Electricity Ringfencing Guideline which applies to Jemena Electricity Networks as a regulated electricity distribution business and requires, amongst other requirements, branding separation with any related entity providing contestable electricity services.

Refer to the inside of the cover page for detailed description of the Group's principal activities.

Review of operations

	Consolidated	
	2023 $'000	**2022 $'000**
Net profit after tax	**234,979**	301,346

Dividends

	2023 $'000	2022 $'000
Dividends paid by the Company to its shareholders	**159,300**	165,400

Significant changes in the state of affairs
The Group continues to focus on opportunities to support the deployment of renewable gas in NSW and to evolve the Victorian electricity grid for a lower carbon future. As the external environment continues to evolve with changing energy market, policy, customer and competition dynamics, the Group will consider opportunities to invest to support the broader energy transition. Zinfra's skills, knowledge and experience will continue to be leveraged to meet the significant infrastructure demanded by the energy transition.

On 31 August 2023, Mr Frank Anton Tudor resigned as Company's Managing Director and Chairman of Zinfra after five years of service. Following Mr Tudor's departure, Mr David Gillespie, the Company's Chief Financial Officer, assumed acting Managing Director responsibilities. Mr Gillespie was appointed Managing Director on 1 December 2023.

In the opinion of the directors there were no other significant changes in the state of affairs of the Group during the year.

Matters subsequent to balance date
On 29 February 2024, the Company has agreed the terms of a capital restructure in relation to the A$800 million of convertible instruments entered into in 2015 ("Convertible Instruments") with State Grid International Development Australia Investment Company Limited ("SGIDAIC") and Singapore Power International Pte Ltd ("SPI").

As part of the capital restructure, on or around 20 June 2024, the A$800 million face value of the Convertible Instruments will be converted by SGIDAIC and SPI into fully paid ordinary shares in the Company in proportion to their existing shareholding in the Company. This simplifies the Company's capital structure going forward, which will comprise a total of A$4 billion of ordinary shares after the restructure, in addition to external funding arrangements.

No other matters or circumstances have arisen since balance date that significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future years.

Likely developments and expected results of operations
The Australian energy sector, while evolving, continues to enable the Group's strong and reliable returns as well as offer new opportunities. The Group aims to be a leader in energy infrastructure ownership and management. Further information on likely developments in the operations of the Group and the expected results of operations has not been included in this report because disclosure of the information may result in unreasonable prejudice to the Group.

Environmental regulation and performance
The Group is subject to environmental regulations under both Commonwealth and State legislation relating to assets in which the Group has an ownership interest and end services provided by the Group to third parties. The directors are not aware of any significant breaches regarding environmental regulations during the year ended 31 December 2023 or to the date of signing this report.

Insurance of directors and officers
The directors and officers of the Group are covered by a directors and officers insurance policy for liabilities and expenses arising as a result of their work, to the extent permitted by law. The nature of the liabilities insured against and the cost of the insurance premiums are confidential in accordance with the terms of the insurance contracts and normal commercial practice.

Auditor's independence declaration
A copy of the auditor's independence declaration, as required under *section 307C of the Corporations Act 2001,* is set out on page 3 and forms part of the Director's report for the year ended 31 December 2023.

Rounding of amounts
The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Amounts in the financial statements have been rounded off in accordance with that instrument, unless otherwise stated.

Signed in accordance with a resolution of the board of directors:

Director: .....

Director: .....

Name: David Gillespie

Name: Jiang Longhua

Date: 15 March 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of SGSP (Australia) Assets Pty Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of SGSP (Australia) Assets Pty Ltd for the financial year ended 31 December 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Gordon Sangster

Partner

Melbourne

15 March 2024

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Consolidated income statement

For the year ended 31 December 2023

SGSP (Australia) Assets Pty Ltd
ABN 60 126 327 624

	Notes	2023 $'000	2022 $'000
Revenue and other income	B1,B2	**1,891,163**	1,790,007
Share of net profits of associate and joint venture	C3,C4	**134,311**	189,133
Employee benefits expense	B6	**(575,876)**	(531,413)
Depreciation and amortisation expense	C1,C2,D7	**(326,286)**	(319,267)
Materials and services expense	B3	**(502,737)**	(418,694)
Operating profit		**620,575**	709,766
Finance income	D2	**9,179**	6,410
Finance costs	D2	**(254,982)**	(279,550)
Net finance costs		**(245,803)**	(273,140)
Profit before income tax	B5	**374,772**	436,626
Income tax expense	B4	**(139,793)**	(135,280)
Profit for the year		**234,979**	301,346
Attributable to:			
Owners of the Company		**234,979**	301,346

The above consolidated income statement should be read in conjunction with the accompanying notes.

Refer to note B1 for operating segment information.

Consolidated statement of comprehensive income

For the year ended 31 December 2023

	Notes	2023 $'000	2022 $'000
Profit for the year		**234,979**	301,346
Other comprehensive (loss)/income			
Items that will never be reclassified to profit or loss			
Defined benefit superannuation plan actuarial loss before tax	B6	**(943)**	(1,672)
Tax on defined benefit superannuation plan actuarial loss		**283**	502
Defined benefit superannuation plan actuarial loss after tax		**(660)**	(1,170)
Items that are or may be reclassified to profit or loss			
Movement in hedging reserve before tax		**(101,680)**	429,019
Share of movement in associate hedging reserve	C3	**(11,847)**	46,105
Tax on movement in hedging reserve		**34,058**	(142,537)
Movement in hedging reserve after tax	D3	**(79,469)**	332,587
Other comprehensive (loss)/income for the year		**(80,129)**	331,417
Total consolidated comprehensive income for the year		**154,850**	632,763
Attributable to:			
Owners of the Company		**154,850**	632,763

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet

As at 31 December 2023

SGSP (Australia) Assets Pty Ltd
ABN 60 126 327 624

	Notes	2023 $'000	2022 $'000
Current assets			
Cash at bank and in hand		**30,889**	47,055
Receivables	B7	**295,050**	218,365
Inventories		**76,817**	65,485
Derivative financial instruments	D3	**1,327**	248,897
Prepayments and deposits		**34,170**	20,327
Total current assets		**438,253**	600,129
Non-current assets			
Property, plant and equipment	C1	**8,161,258**	7,950,359
Intangible assets	C2	**1,734,786**	1,754,856
Investments in associate and joint venture	C3,C4	**1,553,868**	1,496,315
Right of use assets	D7	**52,013**	47,879
Lease receivable		**90,889**	96,121
Derivative financial instruments	D3	**339,304**	384,694
Defined benefit superannuation plans	B6	**49,660**	50,469
Total non-current assets		**11,981,778**	11,780,693
TOTAL ASSETS		**12,420,031**	12,380,822
Current liabilities			
Payables	B8	**185,673**	218,075
Provisions	B8	**175,862**	168,896
Interest bearing liabilities	D1	**249,522**	1,075,434
Income tax payable		**117,555**	54,271
Contract liabilities	B2	**127,604**	114,327
Derivative financial instruments	D3	**142**	1,706
Lease liabilities		**23,173**	21,428
Total current liabilities		**879,531**	1,654,137
Non-current liabilities			
Interest bearing liabilities	D1	**5,986,795**	5,155,531
Provisions	B8	**120,943**	134,735
Deferred tax	B4	**1,110,288**	1,092,244
Lease liabilities		**78,323**	79,340
Contract liabilities	B2	**4,594**	6,221
Derivative financial instruments	D3	**74,755**	89,362
Total non-current liabilities		**7,375,698**	6,557,433
TOTAL LIABILITIES		**8,255,229**	8,211,570
Net assets		**4,164,802**	4,169,252
Share capital	D5	**3,200,000**	3,200,000
Hedging reserve	D3	**181,224**	260,693
Retained earnings		**783,578**	708,559
TOTAL EQUITY		**4,164,802**	4,169,252

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 31 December 2023

2023	Notes	Share capital $'000	Hedging reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2023		**3,200,000**	**260,693**	**708,559**	**4,169,252**
Profit for the year		**-**	**-**	**234,979**	**234,979**
Other comprehensive loss					
Hedging reserve movement, net of tax	D3	**-**	**(79,469)**	**-**	**(79,469)**
Defined benefit superannuation plan actuarial loss, net of tax		**-**	**-**	**(660)**	**(660)**
Total other comprehensive loss		**-**	**(79,469)**	**(660)**	**(80,129)**
Total comprehensive (loss)/income for the year		**-**	**(79,469)**	**234,319**	**154,850**
Transactions with the owners of the Company recognised directly in equity					
Dividends paid to shareholders: $0.05 per share	E1	**-**	**-**	**(159,300)**	**(159,300)**
		-	**-**	**(159,300)**	**(159,300)**
Balance at 31 December 2023		**3,200,000**	**181,224**	**783,578**	**4,164,802**

2022	Notes	Share capital $'000	Hedging reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2022		3,200,000	(71,894)	573,783	3,701,889
Profit for the year		-	-	301,346	301,346
Other comprehensive income					
Hedging reserve movement, net of tax	D3	-	332,587	-	332,587
Defined benefit superannuation plan actuarial gain, net of tax		-	-	(1,170)	(1,170)
Total other comprehensive income		-	332,587	(1,170)	331,417
Total comprehensive income for the year		-	332,587	300,176	632,763
Transactions with the owners of the Company recognised directly in equity					
Dividends paid to shareholders: $0.05 per share	E1	-	-	(165,400)	(165,400)
		-	-	(165,400)	(165,400)
Balance at 31 December 2022		3,200,000	260,693	708,559	4,169,252

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

Consolidated cash flow statement

For the year ended 31 December 2023

		2023 $'000	2022 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**2,021,544**	1,970,860
Payments to suppliers and employees		**(1,248,115)**	(1,050,262)
Income taxes paid (net of refunds)		**(40,718)**	(6,105)
Interest received		**2,028**	566
Net cash inflow from operating activities	B5	**734,739**	915,059
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment and intangibles		**(504,562)**	(469,154)
Proceeds from sale of property, plant and equipment		**1,179**	394
Dividends and distributions received from investments		**61,536**	54,274
Net cash outflow from investing activities		**(441,847)**	(414,486)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	D6	**2,073,794**	1,764,818
Repayment of borrowings	D6	**(1,894,446)**	(1,783,275)
Payment of lease liabilities	D6	**(30,063)**	(28,966)
Interest paid		**(292,053)**	(270,496)
Dividends paid	E1	**(159,300)**	(165,400)
Debt issuance costs		**(6,990)**	(8,051)
Net cash outflow from financing activities		**(309,058)**	(491,370)
Net (decrease)/increase in cash and cash equivalents		**(16,166)**	9,203
Cash and cash equivalents at the beginning of the year		**47,055**	37,852
Cash and cash equivalents at the end of the year		**30,889**	47,055

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

Cash and cash equivalents comprise cash deposits at call.

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SECTION A ABOUT THIS REPORT

A1 Basis of preparation

SGSP (Australia) Assets Pty Ltd ("the Company") is a for-profit company domiciled in Australia. The address of the Company's registered office and principal place of business is Level 16, 567 Collins Street, Melbourne, VIC 3000. These consolidated financial statements for the year ended 31 December 2023 comprise the Company and its subsidiaries (collectively "the Group"). The comparative figures are for the year ended 31 December 2022.

The Group primarily consists of two operating businesses, an assets business and a services business. The assets business has ownership interests in a number of regulated and unregulated assets in the Australian energy sector. The services business provides services to the Australian utility infrastructure sectors and adjacent markets. Refer to the inside of the cover page for detailed description of the Group's principal activities.

(a) Going concern basis of accounting

These financial statements have been prepared on a going concern basis, which contemplates the Group continuing in operation for the foreseeable future.

The Group's current liabilities exceed its current assets by $441.3 million, mainly due to the nature of the business and the classification of one debt facility that is set to mature in 2024. The Group's working capital, investing and financing requirements are being actively managed through operating cashflows and utilisation of debt facilities. The Group has access to unused debt facilities of $452.8 million (refer to note D4(d)), $230.0 million of which are available for more than 12 months from the date of authorisation of these financial statements.

The Group has historically generated positive operating cash flows, traded profitably and has a proven track record of successful refinancing of debt facilities. Accordingly, on the basis of present forecasts for positive future operating cash flows, the ability of the Group to manage its investing activities and the current status of refinancing activities for debt facilities which mature over the next twelve months, the directors believe that the going concern basis of preparation is appropriate.

(b) Statement of compliance

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board and the *Corporations Act 2001*. These financial statements also comply with International Financial Reporting Standards adopted by the International Accounting Standards Board.

These financial statements were authorised for issue by the board of directors on 15 March 2024.

(c) Basis of measurement

These financial statements have been prepared under the historical cost convention, with the exception of defined benefit superannuation plans, customer contributions of assets, derivative financial instruments and borrowings in fair value hedge relationships, which are measured at fair value.

(d) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's and each Group entity's functional currency. The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Amounts in these financial statements have been rounded off in accordance with that instrument to the nearest thousand dollars, unless otherwise stated.

(e) Material accounting policies

The material accounting policies adopted in the preparation of these financial statements are consistent between the periods, except if mentioned otherwise.

SECTION A ABOUT THIS REPORT

A2 Material accounting policies

Material accounting policies adopted in the preparation of these financial statements are disclosed throughout the report and below are policies not listed elsewhere:

(a) Changes in material accounting policies

The Group has adopted the following new and amended accounting standards which has no significant impact on the Group's consolidated financial statements:

- AASB 2023-2 Amendments to Australian Accounting Standards - International Tax Reform Pillar Two Model Rules
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

(b) New accounting standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however the Group has not early adopted the new or amended standards in preparing these financial statements. These changes are not expected to result in any material changes to the Group's financial performance or financial position.

(i) Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants (Amendments to AASB 101)

The amendments, as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024.

As disclosed in D1(b) and D4(d), the Group has secured bank loans that are subject to specific covenants. While these liabilities are classified as non-current at 31 December 2023, a future breach of the related covenants may require the Group to repay the liabilities earlier than the contractual maturity dates. The Group is in the process of assessing the potential impact of the amendments on the classification of these liabilities and the related disclosures.

(ii) Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements:

- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a sale and leaseback
- AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability
- AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements

A3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make estimates and judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and judgements are based on past experience and various other factors that are believed to be reasonable judgements under the circumstances. Actual results may differ. The estimates and judgements are reviewed on an ongoing basis. Changes to accounting estimates are recognised prospectively.

The estimates and judgements that are significant to these financial statements are disclosed within each note.

SECTION B OPERATIONS AND PERFORMANCE

B1 Operating segments

(a) Accounting policy

Segment results reflect those that are reported to the Board for the purpose of making decisions about resources to be allocated to the segments and assessing performance. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment results include transactions between segments primarily from the services business servicing the assets business. Such transactions, including any unrealised gains, are eliminated on consolidation.

(b) Operating segments

The Group operates in one geographical segment, which is Australia. The Group comprises the following operating segments:

(i) Electricity distribution

The electricity distribution network delivers electricity from the high voltage transmission network to end users. The Group charges retailers and some large customers regulated rates for the use of the distribution network. The electricity distribution segment does not purchase or sell electricity in the ordinary course of business. This segment includes the Group's investment in the associate and investment in the joint venture (as proportionate to electricity distribution activities).

(ii) Gas distribution

The gas distribution network delivers natural gas to commercial and residential end users. The Group charges retailers and some large customers regulated rates for the use of the distribution network. The gas distribution segment does not sell gas in the ordinary course of business. This segment includes the Group's investment in the joint venture (as proportionate to gas distribution activities).

Revenue from one major customer of the Group's gas distribution segment represents $164.2 million (year ended 31 December 2022: $170.0 million) of the Group's total revenue for the year.

(iii) Gas transmission

The gas transmission segment transports gas and earns revenue from these services at contracted rates negotiated on arm's length terms.

(iv) Services business - Zinfra

Zinfra provides engineering and design, project management, construction, civil, maintenance and asset operations services to the Australian utility infrastructure sectors and adjacent markets, including to other operating segments within the Group.

(v) All other segments

All other segments include contracts for asset management services to Australian utility infrastructure customers (by group entities other than Zinfra) and corporate costs not allocated to identified segments.

SECTION B OPERATIONS AND PERFORMANCE

(c) Segment performance

		Electricity distribution		Gas distribution		Gas transmission		Services business - Zinfra		All other segments		Inter-segment eliminations		Total	
	Notes	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Operating profit		**327,600**	373,630	**190,099**	222,408	**119,617**	155,983	**42,055**	33,119	**(40,340)**	(56,572)	**(18,456)**	(18,802)	**620,575**	709,766
Revenue and other income	B2(c)	**518,970**	489,068	**528,676**	548,679	**338,583**	338,402	**984,941**	856,118	**27,608**	28,850	**(507,615)**	(471,110)	**1,891,163**	1,790,007
Revenue		**500,483**	**463,322**	**526,228**	**548,249**	**338,583**	**338,402**	**984,941**	**856,109**	**24,696**	**22,070**	**(507,615)**	**(471,110)**	**1,867,316**	**1,757,042**
Gas and electricity distribution revenue		**389,566**	379,937	**448,469**	425,765	**-**	-	**-**	-	**-**	-	**-**	-	**838,035**	805,702
Gas transmission revenue		**-**	-	**-**	-	**338,583**	338,402	**-**	-	**-**	-	**-**	-	**338,583**	338,402
Infrastructure services revenue		**110,917**	83,385	**77,759**	122,484	**-**	-	**984,941**	856,109	**24,696**	22,070	**(507,615)**	(471,110)	**690,698**	612,938
Other income		**18,487**	25,746	**2,448**	430	**-**	-	**-**	9	**2,912**	6,780	**-**	-	**23,847**	32,965
Share of net profits of associate and joint venture *	C3 C4	**121,992**	174,360	**12,319**	14,773	**-**	-	**-**	-	**-**	-	**-**	-	**134,311**	189,133
Depreciation and amortisation expense	C1 C2 D7	**(99,194)**	(90,023)	**(110,949)**	(110,396)	**(100,254)**	(90,960)	**(20,512)**	(20,797)	**2,563**	(8,875)	**2,060**	1,784	**(326,286)**	(319,267)
Finance income	D2	**373**	199	**179**	84	**3,428**	3,516	**2,210**	1,105	**2,989**	1,506	**-**	-	**9,179**	6,410
Finance costs	D2	**(83,638)**	(97,044)	**(100,470)**	(112,021)	**(65,908)**	(65,373)	**(3,489)**	(3,339)	**(1,477)**	(1,773)	**-**	-	**(254,982)**	(279,550)
Acquisition of property, plant and equipment and intangibles	C1 C2	**252,328**	230,966	**206,271**	195,121	**53,573**	57,074	**8,332**	8,421	**8,339**	6,864	**(16,133)**	(22,482)	**512,710**	475,964

* Included in the share of profit is under-recovery of feed-in tariff ("FIT") of $17.4 million (post-tax) (CY22:$59.9 million over-recovery). Refer to Note C4(d) for details.

SECTION B OPERATIONS AND PERFORMANCE

B2 Revenue and other income

(a) Accounting policy

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue at a point in time or over time, when or as it satisfies performance obligations by transferring control over a promised product or service to a customer.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations. Similarly, if the Group satisfies a performance obligation before it receives consideration, the Group recognises either a contract asset or a receivable on its balance sheet, depending on whether something other than the passage of time is required before the consideration becomes unconditional.

The Group owns and has interests in a portfolio of energy infrastructure assets and related businesses, all operating in its country of domicile, Australia.

Revenue is recognised for customer contracts as follows:

(i) Gas and electricity distribution revenue
Revenue is earned from the distribution of gas and electricity and related services. Revenue is recognised at a point in time, as the services are rendered i.e. on delivery, and incorporate usage estimation where necessary. Credit terms are as stated in note B7(d).

A significant proportion of the Group's distribution services revenue is subject to economic regulation that seeks to determine either prices or revenue outcomes. In these financial statements regulated revenue is recognised as volumes multiplied by the agreed tariffs for the relevant period. Any differences to the regulated outcome are reflected in subsequent reporting periods via actual tariff changes.

(ii) Gas transmission
Revenue is earned from the actual and contracted transmission of gas. Revenue is recognised at a point in time as the services are rendered i.e. on actual/contracted delivery and incorporate usage estimation where necessary. Credit terms are as stated in note B7(d).

(iii) Infrastructure services revenue
Revenue is earned through provision of engineering and design, project management, construction, civil, maintenance and asset operations services. Credit terms are as stated in note B7(d).

For contracts with variable consideration, variable consideration is determined using the expected value or most likely outcome - whichever method is a better prediction of the final outcome. The estimation of the variable consideration amount is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Where the performance obligation is satisfied over time, the input method (i.e. costs incurred) is used to measure progress towards the satisfaction of performance obligations. The costs incurred on contracts are assessed to ensure that they are proportionate to the progress in satisfying the performance obligation. Given the type of contracts executed in the Group, the input method is deemed the most appropriate method as it measures the costs expended to satisfy the obligation.

Revenue is recognised when, or as the performance obligation is satisfied. Revenue is recognised either over time (where the customer receives and consumes all of the benefits provided as work is being performed) using the stage of completion method, or at a point in time (where control is passed on to the customer at a certain point in time).

Revenue received in advance of providing the service is treated as unearned and presented as a contract liability.

Revenue from other income is described as follows:

(i) Dividends and distributions
Dividends and distributions are recognised as revenue when the right to receive payment is established.

Dividends received from associates and distributions received from joint ventures are accounted for in accordance with the equity method of accounting (refer note C3(a)).

(ii) Other income
Other income mainly includes interest from redeemable preference shares recognised using the effective interest method and gains on initial recognition of subleases.

SECTION B OPERATIONS AND PERFORMANCE

(b) Critical accounting estimates and judgements

(i) Energy delivery

Estimates are made where required to account for the period between the meter reading date and the end of the accounting period. The estimates are made based on factors including historical consumption patterns, base usage and weather conditions.

(ii) Infrastructure services

Reliably measuring the outcome and the stage of completion of contracts involves a level of estimation of a range of factors that are subject to risk and uncertainty. The estimates and judgements relate to forecast revenue and costs to complete, stage of project completion, and the recoverability of unapproved variations, claims and disputes.

The carrying amount of contract assets is set out in note B7.

(c) Disaggregation of revenue

Refer to operating segment note B1(c).

(d) Timing of revenue recognition

	2023 $'000	2022 $'000
Goods/services transferred at a point in time	**1,305,913**	1,261,289
Goods/services transferred over time	**561,403**	495,753
Revenue	**1,867,316**	1,757,042

(e) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	2023 $'000	2022 $'000
Invoiced trade receivables (refer to note B7(c))	**89,470**	70,012
Contract assets (refer to note B7(c))	**184,585**	138,285
Contract liabilities	**(132,198)**	(120,548)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognised when the performance obligation is satisfied. The amount of $82.6 million recognised in contract liabilities at the beginning of the year has been recognised as revenue for the year ended 31 December 2023.

B3 Materials and services expense

Significant items disclosure

	2023 $'000	2022 $'000
Materials and services includes:		
Net loss on disposal of property, plant and equipment	**(13,170)**	(11,580)
Efficiency program costs	**-**	(20,215)

SECTION B OPERATIONS AND PERFORMANCE

B4 Taxation

(a) Accounting policy

(i) Tax consolidation

The Company is the head entity in the SGSP (Australia) Assets Pty Ltd tax consolidated group ("tax group") comprising the Company and its wholly owned Australian tax resident subsidiaries. Entities that are not 100% owned and entities that are not residents for Australian tax purposes are generally treated as separate single tax entities.

(ii) Income tax expense or benefit

Income tax expense or benefit comprises current and deferred tax, using tax rates and legislation enacted or substantively enacted as at balance date. Income tax expense or benefit is recognised in the income statement, or in other comprehensive income to the extent that it relates to items recognised there.

(iii) Current tax

Current tax is the expected tax on the taxable income for the year and any adjustment to tax payable or receivable in respect to previous years.

(iv) Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Temporary differences are not provided for the initial recognition of goodwill, or the initial recognition of assets and liabilities that affect neither accounting profit nor taxable income. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

A deferred tax asset is recognised only to the extent that it is probable that future taxable income will be available against which the asset can be utilised. A deferred tax asset is derecognised to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the tax group intends to settle its tax assets and liabilities on a net basis.

(v) Goods and Services Tax ("GST")

Revenue, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included within other receivables or other payables in the balance sheet.

(b) Critical accounting estimates and judgements

The tax expense and deferred tax balances are in reference to income tax legislation, aspects of which are subject to interpretation and judgement. These interpretations and judgements are subject to risk and uncertainty and changes in circumstances may alter possible outcomes in relation to tax matters.

Following an audit in relation to the Company's Convertible Instruments ("CI"), the Company has agreed with the Australian Taxation Office (“ATO”) the terms of a capital restructure in relation to its convertible instruments and that the Company will also pay $50.8 million to the ATO which forms the basis of the Group’s tax provision as at the reporting date. The financial effect of the CI audit in the current year was an additional $14.7 million recognised as income tax expense and $2.2 million recognised as interest expense.

Refer to Note F3 for further information regarding the conversion of the CI subsequent to balance date.

SECTION B OPERATIONS AND PERFORMANCE

(c) Income tax expense

	2023 $'000	2022 $'000
Current tax expense		
Current year	**(100,264)**	(60,510)
Adjustments for prior years	**12,856**	(750)
Deferred tax expense		
Origination and reversal of temporary differences	**(39,561)**	(74,782)
Adjustments for prior years	**(12,824)**	762
Total income tax expense	**(139,793)**	(135,280)

(d) Reconciliation of income tax expense to prima facie tax payable

	2023 $'000	2022 $'000
Profit before income tax	**374,772**	436,626
Prima facie tax expense at the Australian tax rate of 30% (2022 - 30%)	**(112,432)**	(130,988)
Tax effect of amounts which are not assessable / (deductible) in calculating taxable income:		
Non-assessable income:		
- Other	**-**	3
Non-deductible expenses:		
- CI audit provision	**(14,706)**	(4,307)
- CI interest expenses	**(12,199)**	-
- Other	**(488)**	-
Over provision in respect of prior year	**32**	12
Total income tax expense	**(139,793)**	(135,280)

(e) Franking credit account

The tax effected franking credit balance as at 31 December 2023 is $29.1 million (2022 franking credit: $6.9 million).

(f) Deferred tax liability / (asset)

The balance comprises the tax effect of temporary differences attributable to:

	Opening Balance $'000	Charged to Income $'000	Charged to Equity $'000	Closing Balance $'000
2023				
Property, plant and equipment	**988,711**	**69,249**	**-**	**1,057,960**
Intangible assets	**19,167**	**(5,675)**	**-**	**13,492**
Financial assets	**167,056**	**(5,944)**	**(34,058)**	**127,054**
Employee provisions	**(42,228)**	**(3,392)**	**-**	**(45,620)**
Defined benefits	**15,141**	**40**	**(283)**	**14,898**
Restoration provisions	**(4,644)**	**(454)**	**-**	**(5,098)**
Decommisioning provisions	**(28,705)**	**3,338**	**-**	**(25,367)**
Other items**	**(22,254)**	**(4,777)**	**-**	**(27,031)**
	1,092,244	**52,385**	**(34,341)**	**1,110,288**

SECTION B OPERATIONS AND PERFORMANCE

	Opening Balance $'000	Charged to Income $'000	Charged to Equity $'000	Closing Balance $'000
2022				
Property, plant and equipment	932,252	56,459	-	988,711
Intangible assets	23,296	(4,129)	-	19,167
Financial assets	6,625	17,894	142,537	167,056
Employee provisions	(39,123)	(3,105)	-	(42,228)
Defined benefits	15,983	(340)	(502)	15,141
Restoration provisions	(4,847)	203	-	(4,644)
Decommisioning provisions	(25,078)	(3,627)	-	(28,705)
Other items**	(32,919)	10,665	-	(22,254)
	876,189	74,020	142,035	1,092,244

** Other items mainly include deferred tax for lease liabilities and various other provisions and accruals.

Tax effect of unrecognised temporary differences

	2023 $'000	2022 $'000
Capital investment in associate	**10,705**	10,705

B5 Reconciliation of result for the year to net cash flows from operating activities

	2023 $'000	2022 $'000
Profit before income tax	**374,772**	436,626
Non-cash flows in profit:		
Depreciation and amortisation	**326,286**	319,267
Defined benefit superannuation plans - service costs	**3,149**	3,419
Non-operating activities:		
Share of profit of associate and joint venture	**(134,311)**	(189,133)
Finance income	**(9,179)**	(6,410)
Finance costs including economic hedges	**254,982**	279,550
Loss on disposal of property, plant and equipment	**13,170**	11,580
Exchange differences - unrealised	**416**	(4)
Changes in assets and liabilities:		
Increase in receivables and other current assets	**(85,296)**	(21,813)
Increase in inventories	**(11,332)**	(6,944)
Decrease in payables, provisions, contract liabilities and lease liabilities	**40,772**	94,460
Interest received	**2,028**	566
Income taxes paid	**(40,718)**	(6,105)
Net cash inflow from operating activities	**734,739**	915,059

SECTION B OPERATIONS AND PERFORMANCE

B6 Employee costs and defined benefit superannuation plans

(a) Employee benefits expense

	2023 $'000	2022 $'000
Defined benefit superannuation plans - service costs	**(3,149)**	(3,419)
Defined contribution superannuation expenses	**(42,777)**	(35,810)
Other employee benefit expenses	**(529,950)**	(492,184)
Total employee benefits expense	**(575,876)**	(531,413)

(b) Accounting policy

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of balance date are recognised as provisions in respect of employees' services up to balance date and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. Non-vesting sick leave is recognised in the income statement when the leave is taken and measured at the rates paid or payable.

Annual leave that is not expected to be settled within 12 months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

The provision for annual leave is classified as a current liability as the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(ii) Long service leave

The liability for long service leave entitled to be settled within 12 months of balance date is recognised in the current provision for employee benefits and is measured in accordance with the measurement principles described for annual leave, above. The liability for long service leave expected to be settled more than 12 months from balance date is recognised in the non-current provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to balance date.

(iii) Superannuation plans

Defined benefit superannuation plans:

The Group's net asset/liability in respect of defined benefit superannuation plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior years, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited by the asset ceiling, to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit superannuation plans asset/liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. Net interest income/expense and other expenses related to defined benefit superannuation plans are recognised in the income statement. The Group determines the net interest income/expense by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the net defined benefit superannuation plans asset/liability at the beginning of the year, taking into account any expected contributions and benefit payments.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the income statement. The Group recognises gains and losses on the settlement of a defined benefit superannuation plan when the settlement occurs.

Defined contribution superannuation plans:

Obligations for contributions to defined contribution superannuation plans are recognised as an expense in the income statement in the periods during which the services are rendered by the employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

SECTION B OPERATIONS AND PERFORMANCE

(iv) Incentive plans
A liability for employee benefits in the form of bonus plans is recognised in provisions when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:
- there are formal terms in the plan for determining the amount of the benefit;
- the amounts to be paid are determined before the time of completion of the financial report; or
- past practice gives clear evidence of the amount of the obligation.

(v) Termination benefits
Liabilities for termination benefits, not in connection with the acquisition of an entity or operation, are recognised when a detailed plan for the terminations has been developed and a valid expectation has been raised in those employees affected that the terminations will be carried out.

(vi) Employee benefit on-costs
Employee benefit on costs, including payroll tax, workers' compensation and superannuation guarantee contribution, are recognised and included in employee benefit liabilities and expenses when the employee benefits to which they relate are recognised as liabilities or expenses.

(c) Critical accounting estimates and judgements

(i) Annual leave and long service leave
When assessing expected future payments of annual and long service leave consideration is given to employee wage increases as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on Australian corporate bonds with terms to maturity that match the expected timing of cash outflows.

(ii) Defined benefits
The present value of the defined benefit obligations and the net expense for defined benefit superannuation plans depends on a number of factors that are determined on an actuarial basis using principal assumptions set out in section B6(j), subject to risks set out in section B6(k), with sensitivities to the assumptions set out in section B6(l).

(d) Defined benefit superannuation plans

The Group makes contributions to one Mercer Investment Nominees Limited ("Equipsuper") defined benefit superannuation plan and one Russell Investment Group ("Russell") defined benefit superannuation plan. The plans provide defined benefit amounts to employees or their dependents upon retirement, death, disablement or withdrawal. Benefits are mostly in the form of a lump sum payment based on the employee's final average salary although some defined benefit members are also eligible for pension benefits. The terms and conditions of the two plans are consistent. The plans operate under the regulatory framework provided by the Superannuation Industry (Supervision) legislation. The plans' Trustees are responsible for the governance of the plans and have a legal obligation to act solely in the best interests of the beneficiaries. The trustees are responsible for administration of the plans and payments to beneficiaries, management and investment of the plan assets and compliance with superannuation law and other applicable regulations. The defined benefit sections of the plans are closed to new members.

Actuarial valuations of the funds as at 31 December 2023 and 31 December 2022 were performed resulting in the information set out below:

(e) Balance sheet amounts

The amounts included in the balance sheet arising from the Group's obligations in respect of its defined benefit superannuation plans are as follows:

	2023 $'000	2022 $'000
Present value of funded defined benefit obligations	**(133,139)**	(142,072)
Fair value of plan assets	**182,799**	192,541
Present value of net assets	**49,660**	50,469

SECTION B OPERATIONS AND PERFORMANCE

(f) Categories of plan assets

The analysis of the plan assets by category is as follows:

	2023 %	2022 %
Australian equities	**18.2**	19.5
International equities	**23.7**	21.4
Fixed income	**10.0**	8.4
Property	**4.3**	4.5
Cash	**15.4**	16.8
Growth alternatives	**17.4**	16.2
Defensive alternatives	**11.0**	13.2
	100.0	100.0

The fair value measurement of plan assets (refer to note F1) uses a level 2 fair value hierarchy that reflects the significance of the inputs used in making the measurements. Fair value is measured using valuation techniques with significant observable inputs such as investment fund valuations.

(g) Reconciliations

	2023 $'000	2022 $'000
Present value of funded defined benefit obligation		
Opening defined benefit obligation	**(142,072)**	(153,308)
Service cost	**(3,149)**	(3,419)
Interest cost	**(7,526)**	(4,318)
Contributions by plan participants	**(1,393)**	(1,493)
Actuarial gains	**1,286**	9,205
Benefits paid by the plan	**19,715**	11,261
Closing defined benefit obligation	**(133,139)**	(142,072)
Fair value of plan assets		
Opening fair value of plan assets	**192,541**	206,585
Interest income	**9,888**	5,641
Return on plan assets less interest income	**(2,229)**	(10,877)
Contributions from the employer	**921**	960
Contributions by plan participants	**1,393**	1,493
Benefits paid	**(19,715)**	(11,261)
Closing fair value of plan assets	**182,799**	192,541

The actual return on plan assets for the year was a gain of $7.7 million (year ended 31 December 2022: loss of $5.2 million).

(h) Amounts recognised in the income statement

The amounts recognised in the income statement in respect of these defined benefit superannuation plans are as follows:

	2023 $'000	2022 $'000
Service cost	**(3,149)**	(3,419)
Net interest income	**2,362**	1,323
Total expense included in the income statement	**(787)**	(2,096)

SECTION B OPERATIONS AND PERFORMANCE

(i) Amounts recognised in other comprehensive income

The amounts recognised in other comprehensive income are as follows:

	2023 $'000	2022 $'000
Actuarial loss before tax recognised in other comprehensive income	**(943)**	(1,672)
Cumulative actuarial losses before tax recognised in retained earnings	**(11,138)**	(10,195)

(j) Principal actuarial assumptions

The principal actuarial assumptions are set out below:

	Russell		Equipsuper	
	2023 %	2022 %	**2023 %**	2022 %
Discount rate (active members)	**5.9**	5.5	**6.0**	5.7
Discount rate (pensioners)	**N/A**	N/A	**2.5**	2.0
Expected long term salary increase rate	**3.5**	3.5	**3.5**	3.5
Expected pension increase rate (per annum)	**N/A**	N/A	**3.5% for first year, 2.5% thereafter**	3.5% for first year, 2.5% thereafter
Weighted average duration of the defined benefit obligation (in years)	**4.0**	4.2	**7.0**	8.0

(k) Risks

There are a number of risks to which the plans expose the Group. The more significant risks relating to the defined benefits are:

Investment risk - the risk that investment returns will be lower than assumed and the Group will need to increase contributions to offset this shortfall.

Salary growth risk - the risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit obligations and thereby requiring additional employer contributions.

Legislative risk - the risk that legislative changes could be made which increase the cost of providing the defined benefits.

Pension risks - firstly, the risk that pensioner mortality will be lower than expected, resulting in pensions being paid for a longer period. Secondly, that a greater proportion of eligible members elect to take a pension benefit, which is generally more valuable than the corresponding lump sum benefit. Thirdly, the risk that inflation is higher than anticipated, increasing pension payments, and thereby requiring additional employer contributions.

(l) Sensitivity analysis

Reasonably possible changes at balance date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Increase/(decrease) to defined benefit obligation	
Defined benefit obligation	**2023 $'000**	2022 $'000
Discount rate (0.5% higher)	**(2,845)**	(3,250)
Discount rate (0.5% lower)	**3,050**	3,498
Salary increase rate (0.5% higher)	**2,365**	2,734
Salary increase rate (0.5% lower)	**(2,224)**	(2,556)

SECTION B OPERATIONS AND PERFORMANCE

(m) Employer contributions

Employer contributions to the defined benefit superannuation plans are based on recommendations by the plans' actuaries. The target funding method is used to determine the contribution rates. Under this method, the employer contribution rate is set to meet a 105% funding target.

Per the actuaries' 2023 reports, total minimum employer contributions to be paid by the Group for the year ending 31 December 2024 are nil. However, the Group may continue to contribute to assist in protecting the financial position of the plan.

B7 Receivables

(a) Accounting policy

Receivables are generally non-interest bearing and stated at amortised cost using the effective interest method, following their initial recognition at fair value. The recoverability of receivables is assessed on an periodic basis and at balance date. The Group applies the AASB 9 simplified approach to measuring expected credit losses for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses.

The carrying amount of receivables is reduced through the use of an allowance account for impaired receivables and any expected loss is immediately expensed in the income statement. The amount of any impairment loss is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the receivable's original effective interest rate. When a receivable is considered uncollectible it is written off against the allowance account. Subsequent recoveries of amounts previously written off, and impairment reversals based on objective evidence, are credited against the income statement.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Monitoring of contracted retailers Gas and Electricity Distribution, Gas Transmission and major contract debtors via an external consumer and credit risk registry continued throughout 2023, with the Group receiving updates within 24 hours of changes in ownership, directors or any adverse impacts on particular debtors. A secondary process including notifying relevant parts of the business about negative notifications, reviewing and following up all outstanding debts (if needed) is in place.

The default rate and bad debt write offs continue to be within expectation.

(b) Critical accounting estimates and judgements

For estimates and judgements relating to contract assets refer to note B2(b).

(c) Summary

	2023 $'000	2022 $'000
Trade receivables	**78,449**	65,153
Trade receivables from related parties	**11,021**	4,859
Total invoiced trade receivables	**89,470**	70,012
Allowance for impairment loss	**(4,332)**	(2,739)
Contract assets	**149,977**	116,727
Contract assets due from related parties	**34,608**	21,558
Total contract assets	**184,585**	138,285
Allowance for impairment loss	**(251)**	(873)
Total trade receivables	**269,472**	204,685
Other receivables from related parties	**6,120**	2,746
Other receivables	**19,458**	10,934
Total receivables	**295,050**	218,365

SECTION B OPERATIONS AND PERFORMANCE

(d) Terms and conditions

The average credit terms vary depending on the nature of the accounts receivable balance:
- related parties range between 7 to 14 days;
- retailers are 10 days; and
- other external customers range between 20 to 30 days.

(e) Ageing of total invoiced trade receivables

	2023 $'000	2022 $'000
Not past due	**64,373**	52,192
Past due not impaired: 0 - 30 days	**13,661**	8,260
Past due not impaired: 31 - 60 days	**1,973**	1,785
Past due not impaired: more than 61 days	**5,131**	5,036
Past due considered impaired	**4,332**	2,739
Total invoiced trade receivables	**89,470**	70,012

Total invoiced trade receivables past due not considered impaired are $20.8 million (2022: $15.0 million). Payment terms on these amounts have not been renegotiated.

(f) Impairment of receivables

Movements in the provision for impairment of receivables are as follows:

	2023 $'000	2022 $'000
Opening balance	**3,612**	1,790
Additional allowance recognised	**2,829**	2,589
Write-back of allowance	**-**	(645)
Amounts utilised	**(1,858)**	(122)
	4,583	3,612

Fair value and credit risk

Due to the short term nature and collectability of the receivables, the carrying amount approximates fair value. The maximum exposure to credit risk is the carrying amount of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to other entities.

Significant changes in credit risk since initial recognition of contract assets generally arise when claims are subject to negotiation or in dispute with customers. Total contract assets subject to negotiation or in dispute as at 31 December 2023 is nil (2022: nil).

B8 Payables, provisions and contingent liabilities

(a) Payables accounting policy

Payables represent liabilities for goods and services provided to the Group prior to balance date that are unpaid. Payables are stated at amortised cost and are generally non-interest bearing.

Foreign currency transactions

Transactions in foreign currencies are translated into the Group's functional currency using the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at balance date. Foreign currency differences arising on translation are recognised in the income statement, except for differences arising on the translation of qualifying cash flow hedges, which are recognised in other comprehensive income.

(b) Payables summary

	2023 $'000	2022 $'000
Trade and other payables	**66,916**	78,195
Accrued expenses	**73,853**	62,893
Interest payable	**44,904**	35,650
Interest payable to related parties	**-**	41,337
Total payables	**185,673**	218,075

SECTION B OPERATIONS AND PERFORMANCE

(c) Provisions accounting policy

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance costs.

(d) Provisions related critical accounting estimates and judgements

(i) Decommissioning provisions

Estimating future decommissioning costs involves considerable judgement based on the estimated current cost of detailed plans prepared.

(e) Provisions summary

	Current		Non-current	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Employee benefits	**140,175**	126,563	**11,893**	14,197
Restoration	**6,481**	5,350	**10,511**	10,129
Decommissioning	**-**	-	**84,555**	95,683
Other	**29,206**	36,983	**13,984**	14,726
Total provisions	**175,862**	168,896	**120,943**	134,735

(f) Movements in provisions (excluding employee benefits)

2023	**Decommissioning $'000**	**Restoration $'000**	**Other $'000**	**Total $'000**
Current and non-current				
Opening carrying amount	**95,683**	**15,479**	**51,709**	**162,871**
Additional provisions recognised	**944**	**2,237**	**18,222**	**21,403**
Unused provisions reversed	**(14,188)**	**(873)**	**(2,122)**	**(17,183)**
Utilised during the year	**-**	**(34)**	**(24,619)**	**(24,653)**
Discounting of provisions	**2,116**	**183**	**-**	**2,299**
Closing carrying amount	**84,555**	**16,992**	**43,190**	**144,737**

Decommissioning

Decommissioning provisions are recognised where there is a present obligation in respect of certain gas transmission assets owned by the Group and the present value of the expected costs of removal of these assets at the end of their useful lives. It is probable that an outflow of economic benefit will be required to settle the provision. The provision of future decommissioning costs is the best estimate of the present value of the future expenditure required to settle the obligation at the reporting date. The expected timing of outflows for decommissioning liabilities is not within 12 months from the reporting date. Future decommissioning costs are reviewed annually and where there is a change in the expected decommissioning costs, an adjustment is recorded against the carrying amount of the provision and the associated plant and equipment.

Restoration

Restoration provisions are recognised in respect of civil works and leases.

Other

Other provisions include restructuring, onerous contracts, legal, defect, contract claims, rebates and other miscellaneous provisions. Provision for defect and contract claims are made for the estimated liability on the known liquidated damage or contract claims arising under service and construction contracts.

SECTION B OPERATIONS AND PERFORMANCE

(g) Contingent liabilities

From time to time, entities within the Group are party to various legal actions as well as enquiries from regulators and government bodies that have arisen in the normal course of business.

The outcome of currently pending and potential future legal actions, regulatory, administrative and government enquiries of a legal nature cannot be predicted with certainty. Such matters can raise complex legal issues, and are subject to many uncertainties including but not limited to, the facts and circumstances of each matter.

The Group has given consideration to such matters which are or may be subject to claims, penalties and litigation at year end and is of the opinion that any liabilities arising over and above those provided for in the financial statements from such action would not have a material effect on the Group's financial performance or position in future years.

In addition, environmental, make good and restoration provisions are recognised in respect of obligations to remediate and make good disturbance or contamination caused by former gas works, at certain sites. Such provisions are subject to uncertainties such as the extent of disturbance and interpretation of make good and remediation requirements of regulators and other parties who have rights to the underlying land.

Other than above and as disclosed in these financial statements, Management is not aware of any other contingent liabilities that could have a material effect on the financial statements.

SECTION C OUR ASSETS

C1 Property, plant, and equipment

(a) Accounting policy

The Group recognises the cost of an item of property, plant and equipment as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as incurred.

All classes of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises the cost of direct materials, direct labour, an appropriate proportion of direct production overheads, and (where relevant) the estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Items of plant and equipment under construction are recognised as construction in progress. Once the asset construction is complete and the asset is capable of operating in the manner intended by management, the item of plant and equipment is transferred from construction in progress to the relevant asset class and depreciation of the asset commences.

Where significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment and depreciated separately.

Depreciation is charged to the income statement on a straight line basis over the estimated useful life of each item of property, plant and equipment. Depreciation of assets used to produce new assets is included in the carrying amount of the new asset. Land is not depreciated.

Disposals of items result in their carrying amount being derecognised immediately.

(b) Critical accounting estimates and judgements

Estimates are made regarding useful lives of items of property, plant and equipment based on factors that are subject to risk including the regulatory environment and technological developments.

SECTION C OUR ASSETS

(c) Property, plant and equipment

	Freehold land $'000	Freehold buildings $'000	Easements $'000	Leasehold improvements $'000	Infrastructure assets $'000	Other property, plant and equipment $'000	Leased plant and equipment $'000	Construction in progress $'000	Total $'000
Useful life (years)	Indefinite	2 - 70	15 - 40	1 - 25	1 - 120	1 - 23	1 - 20	n/a	
Year ended 31 December 2023									
Opening carrying amount - 1 January 2023	**60,910**	**91,747**	**15,487**	**16,005**	**7,344,611**	**18,670**	**58**	**402,871**	**7,950,359**
Additions	**-**	**1,165**	**-**	**145**	**286,500**	**7,280**	**-**	**189,744**	**484,834**
Impairment loss	**-**	**-**	**-**	**(927)**	**-**	**-**	**-**	**-**	**(927)**
Transfers from/(to) other asset classes	**-**	**9,181**	**-**	**30**	**164,534**	**4,935**	**-**	**(177,583)**	**1,097**
Depreciation charge	**-**	**(3,392)**	**(666)**	**(2,842)**	**(244,558)**	**(9,223)**	**(19)**	**-**	**(260,700)**
Disposals	**-**	**-**	**-**	**-**	**(14,153)**	**(196)**	**-**	**-**	**(14,349)**
Decommissioning provision	**-**	**-**	**-**	**-**	**944**	**-**	**-**	**-**	**944**
Closing carrying amount - 31 December 2023	**60,910**	**98,701**	**14,821**	**12,411**	**7,537,878**	**21,466**	**39**	**415,032**	**8,161,258**
At 31 December 2023									
Cost	**60,910**	**124,227**	**21,421**	**55,140**	**10,330,505**	**141,607**	**601**	**415,032**	**11,149,443**
Accumulated depreciation	**-**	**(25,526)**	**(6,600)**	**(42,729)**	**(2,792,627)**	**(120,141)**	**(562)**	**-**	**(2,988,185)**
Carrying amount	**60,910**	**98,701**	**14,821**	**12,411**	**7,537,878**	**21,466**	**39**	**415,032**	**8,161,258**
Year ended 31 December 2022									
Opening carrying amount - 1 January 2022	60,910	86,341	16,154	18,853	7,216,289	19,812	77	343,433	7,761,869
Additions	-	3,363	-	719	246,525	2,255	-	190,457	443,319
Impairment loss	-	-	-	(571)	(3,029)	-	-	-	(3,600)
Transfers from/(to) other asset classes	-	5,584	-	35	116,989	6,702	-	(128,250)	1,060
Depreciation charge	-	(3,541)	(667)	(2,582)	(235,703)	(9,964)	(19)	-	(252,476)
Disposals	-	-	-	(449)	(7,405)	(135)	-	(2,769)	(10,758)
Decommissioning provision	-	-	-	-	10,945	-	-	-	10,945
Closing carrying amount - 31 December 2022	60,910	91,747	15,487	16,005	7,344,611	18,670	58	402,871	7,950,359
At 31 December 2022									
Cost	60,910	116,727	21,421	57,746	9,905,037	142,122	601	402,871	10,707,435
Accumulated depreciation	-	(24,980)	(5,934)	(41,741)	(2,560,426)	(123,452)	(543)	-	(2,757,076)
Carrying amount	60,910	91,747	15,487	16,005	7,344,611	18,670	58	402,871	7,950,359

SECTION C OUR ASSETS

C2 Intangible assets

(a) Accounting policy and critical accounting estimates and judgements

All classes of intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged to the income statement on a straight line basis over the estimated useful life of each intangible asset with a finite life.

Estimates are made regarding useful lives of items of intangible assets based on factors that are subject to risk including the regulatory environment and technological developments.

(i) Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in business combinations that are not individually identified and separately recognised.

Goodwill is not amortised but is tested for impairment per the Impairment Policy (refer note C5).

(ii) Electricity distribution licence

A licence is held to distribute electricity to end-users within the Jemena Electricity Network, covering a defined area of north-west greater Melbourne. The licence is issued in perpetuity so long as the associated regulatory requirements are met. Given the Group continuously monitors compliance with regulatory requirements and intends to continue to maintain the network for the foreseeable future, the licence has an indefinite useful life. Therefore the licence is not amortised but is tested for impairment per the Impairment Policy.

(iii) Software

Computer software includes the cost of software licences purchased by the Group and other additional software development costs.

Software-as-a-Service ("SaaS") arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as materials and services expenses when the services are received.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. Judgement is required to determine whether the additional costs meets the definition of an intangible asset.

Where the supplier of the SaaS arrangement provides both the configuration and customisation services, and the SaaS access over the contract term, judgement is required to determine whether these services are distinct or not from each other. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e. upfront). Non-distinct configuration and customisation costs are expensed over the SaaS contract term (i.e. as a prepayment).

Non-distinct customisation activities significantly enhance or modify a SaaS cloud-based application. Judgement is required in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.

(iv) Contract intangibles

Contract intangibles represent the value attributed to the material customer contracts that the Group acquired in business combinations. The value of these contracts are based on independent valuations, predicated on estimates and judgements. The value of these contracts is determined with reference to the separately identifiable net cash flows generated under each contract, discounted back to present value. Their useful lives reflect both the contract terms and, where applicable, assumed renewal periods.

(v) Construction in progress

Internally generated intangibles in progress are recognised as the sum of all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended, at which point the intangible asset is transferred to the relevant asset class and amortisation of the asset commences.

SECTION C OUR ASSETS

(b) Intangible assets

	Goodwill $'000	Contract Intangibles $'000	Electricity distribution licence $'000	Software $'000	Construction in progress $'000	Total $'000
Useful life (years)	Indefinite	8 - 33	Indefinite	1 - 22	n/a	
Year ended 31 December 2023						
Opening carrying amount - 1 January 2023	**1,536,373**	**44,276**	**10,516**	**117,241**	**46,450**	**1,754,856**
Additions	**-**	**-**	**-**	**6,985**	**20,891**	**27,876**
Transfers from/(to) other asset classes	**-**	**-**	**-**	**37,193**	**(38,290)**	**(1,097)**
Amortisation charge	**-**	**(2,190)**	**-**	**(44,659)**	**-**	**(46,849)**
Closing carrying amount - 31 December 2023	**1,536,373**	**42,086**	**10,516**	**116,760**	**29,051**	**1,734,786**
At 31 December 2023						
Cost	**1,536,373**	**104,158**	**10,516**	**766,299**	**29,051**	**2,446,397**
Accumulated amortisation	**-**	**(62,072)**	**-**	**(649,539)**	**-**	**(711,611)**
Carrying amount	**1,536,373**	**42,086**	**10,516**	**116,760**	**29,051**	**1,734,786**
Year ended 31 December 2022						
Opening carrying amount - 1 January 2022	1,536,373	49,037	10,516	131,528	41,568	1,769,022
Additions	-	-	-	3,855	28,790	32,645
Transfers from/(to) other asset classes	-	-	-	22,848	(23,908)	(1,060)
Amortisation charge	-	(4,761)	-	(39,774)	-	(44,535)
Disposals	-	-	-	(1,216)	-	(1,216)
Closing carrying amount - 31 December 2022	1,536,373	44,276	10,516	117,241	46,450	1,754,856
At 31 December 2022						
Cost	1,536,373	104,158	10,516	722,121	46,450	2,419,618
Accumulated amortisation	-	(59,882)	-	(604,880)	-	(664,762)
Carrying amount	1,536,373	44,276	10,516	117,241	46,450	1,754,856

SECTION C OUR ASSETS

C3 Investment in associate

(a) Accounting policy

Associates are those entities in which the Group has significant influence, but no control or joint control, over the financial or operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the income statement and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) United Energy Distribution Holdings Pty Ltd

The Group owns a 34% interest in United Energy Distribution Holdings Pty Ltd ("UEDH"). UEDH Group distributes electricity throughout southeast Melbourne and the Mornington Peninsula in Victoria. The network covers approximately 1,472 square kilometres and services over 700,000 homes and businesses.

(c) Reconciliation of movements in investment in UEDH

	Opening $'000	Share of profit $'000	Dividends and Eliminations * $'000	Share conversion ** $'000	Share of Other Comprehensive Income $'000	Closing $'000
2023						
Ordinary shares	**198,799**	**46,323**	**(21,782)**	**124,460**	**(11,847)**	**335,953**
Redeemable preference shares ("RPS")	**205,243**	**-**	**-**	**(124,460)**	**-**	**80,783**
	404,042	**46,323**	**(21,782)**	**-**	**(11,847)**	**416,736**
2022						
Ordinary shares	117,300	41,407	(6,013)	-	46,105	198,799
Redeemable preference shares	205,243	-	-	-	-	205,243
	322,543	41,407	(6,013)	-	46,105	404,042

* Comprising of dividends received and receivable and the elimination of the transactions between the Group and the associate.

** Tranche A of the RPS was converted into ordinary shares upon its maturity. This transaction had no impact on the Group's ownership interests.

SECTION C OUR ASSETS

The following table summarises the balance sheet information of UEDH:

	2023 $'000	2022 $'000
Current assets (including cash and cash equivalents - 31 December 2023: $54.7 million; 31 December 2022: $76.3 million)	**160,861**	184,526
Non-current assets (including financial assets - 31 December 2023: $129.8 million, 31 December 2022: $169.9 million)	**3,946,224**	3,814,093
Current liabilities (including financial liabilities - 31 December 2023: ($1,266.2) million, 31 December 2022: ($799.8) million)	**(1,505,525)**	(1,317,147)
Non-current liabilities (including financial liabilities - 31 December 2023: ($1,238.3) million, 31 December 2022: ($1,728.8) million)	**(1,730,207)**	(2,210,586)
Net assets (100%)	**871,353**	470,886

Capital expenditure contracted for at balance date but not recognised as a liability by the UEDH group is as follows:

	2023 $'000	2022 $'000
Payable within one year (34%)	**5,250**	13,498
Payable later than one year but not later than five years (34%)	**-**	796
Later than five years (34%)	**-**	-
	5,250	14,294

The following table summarises the income statement information of UEDH:

	2023 $'000	2022 $'000
Revenue	**770,926**	749,695
Depreciation and amortisation	**(155,707)**	(153,053)
Interest income	**2,481**	600
Interest expense	**(137,388)**	(150,162)
Net profit after tax	**131,832**	116,785
Total comprehensive income for distribution	**96,987**	252,388

The following table summarises the Group's equity accounting of UEDH:

	2023 $'000	2022 $'000
Group's share of net assets (34%)	**296,260**	160,101
Consolidation adjustments	**120,476**	243,941
Carrying amount of interest in UEDH	**416,736**	404,042
Group's share of:		
- Profit	**46,323**	41,407
- Other comprehensive income (hedging reserves)	**(11,847)**	46,105
- Interest on redeemable preference shares held by the Company, included within UEDH group's interest expense	**18,487**	25,746
Group's total recognised comprehensive income from UEDH	**52,963**	113,258

The Company is not aware of any UEDH group contingent liabilities that could have a material effect on the financial statements.

SECTION C OUR ASSETS

C4 Investment in joint venture

(a) Accounting policy

Joint ventures are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are recognised initially at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the income statement and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) ActewAGL Distribution Partnership

The Group holds a 50% interest in the ActewAGL Distribution Partnership ("ADP"), primarily operating as 'Evoenergy'. The remaining 50% is ultimately held by the Australian Capital Territory ("ACT") Government. ADP owns and operates the gas networks in the ACT, Queanbeyan-Palerang and Nowra.

ADP's financial year is from 1 July to 30 June, which is different to the Group's.

(c) Critical accounting estimates and judgements

In classifying as a joint venture the Group considered and made certain judgements about the structure of the arrangement, the legal form of any separate vehicles, the contractual terms of the arrangement and other facts and circumstances.

(d) Reconciliation of movements in investment in ADP

	Opening $'000	Share of profit* $'000	Dividends and Eliminations ** $'000	Closing $'000
2023				
ActewAGL Distribution Partnership	**1,092,273**	**87,988**	**(43,129)**	**1,137,132**
	1,092,273	**87,988**	**(43,129)**	**1,137,132**
2022				
ActewAGL Distribution Partnership	993,490	147,726	(48,943)	1,092,273
	993,490	147,726	(48,943)	1,092,273

* Included in the share of profit is under-recovery of FIT of $17.4 million (post-tax) (CY22:$59.9 million over-recovery). In the ACT, ADP is subject to a large scale FIT jurisdictional scheme under which FIT support payments are made by ADP to the renewable energy generators. ADP is required to collect any shortfall between the average contracted prices and the wholesale spot price on behalf of renewable energy generators from electricity customers.

These FIT support payments operate as a pass through to customers. Where the amount recovered exceeds or is below actual contributions paid to relevant parties, an adjustment is made to future prices to reflect this excess or shortfall. No assets or liabilities is recognised as such an adjustment relates to provision of future services.

** Comprising of dividends received and receivable and the elimination of the transactions between the Group and the joint venture.

SECTION C OUR ASSETS

The following table summarises the balance sheet information of ADP:

	2023 $'000	2022 $'000
Current assets (including cash and cash equivalents - 31 December 2023: $58.6 million; 31 December 2022: $84.3 million)	**374,027**	360,527
Non-current assets (including financial assets - 31 December 2023: $36.3 million; 31 December 2022: $41.6 million)	**1,624,732**	1,529,445
Current liabilities (including financial liabilities - 31 December 2023: ($6.5) million, 31 December 2022: ($7.3) million)	**(202,332)**	(178,284)
Non-current liabilities (including financial liabilities - 31 December 2023: ($23.5) million, 31 December 2022: ($27.1) million)	**(24,773)**	(28,541)
Net assets (100%)	**1,771,654**	1,683,147

Capital expenditure contracted for at balance date but not recognised as a liability by the joint venture is as follows:

	2023 $'000	2022 $'000
Payable within one year (50%)	**18,642**	16,616
Payable later than one year but not later than five years (50%)	**6,461**	3,394
	25,103	20,010

The following table summarises the income statement information of ADP:

	2023 $'000	2022 $'000
Revenue	**501,977**	480,868
Depreciation and amortisation	**(66,526)**	(67,666)
Interest income	**13,411**	3,607
Interest expense	**(1,425)**	(1,677)
Net profit after tax	**172,507**	290,068
Total comprehensive income for distribution	**172,507**	290,068

The following table summarises the Group's equity accounting of ADP:

	2023 $'000	2022 $'000
Group’s share of net assets (50%)	**885,827**	841,574
Consolidation adjustments	**251,305**	250,699
Carrying amount of interest in ADP	**1,137,132**	1,092,273
Total comprehensive income for distribution	**172,507**	290,068
Group's share of total comprehensive income	**87,988**	147,726

ADP had contingent liabilities of $0.86 million relating to bank guarantees as at 31 December 2023 (as at 31 December 2022: nil). The Company is not aware of any other ADP contingent liabilities that could have a material effect on the financial statements.

SECTION C OUR ASSETS

C5 Impairment testing

(a) Accounting policy

An asset is impaired when its carrying amount exceeds its recoverable amount.

The carrying amounts of the Group's assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill, intangible assets that have an indefinite useful life and construction in progress intangible assets, the recoverable amount is estimated irrespective of whether there is any indication of impairment.

The recoverable amount of assets is greater of their fair vaule less costs of disposal and its value in use. In assessing the recoverable amount, the Group applies the fair value less costs of disposal method and discounts the estimated future cash flows to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If it is not possible to estimate the recoverable amount of the individual asset, an entity shall determine the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash inflows independently of the cash flows generated by any other asset or group of assets. For the purpose of impairment testing, goodwill and corporate assets are allocated to the CGUs' carrying amounts.

When the carrying amount of an asset or CGU exceeds its recoverable amount the difference is immediately recognised in the income statement as an impairment loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other assets in the CGU on a pro-rata basis. An impairment loss in respect of goodwill is not reversed.

Impairment losses in respect of other assets are reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or amortisation, if no impairment loss had been recognised. The reversal of an impairment loss is recognised in the income statement.

(b) Impairment testing

The Group's CGUs and allocated goodwill and intangible assets that have an indefinite useful life identified for impairment testing are as follows:

	2023 $'000	2022 $'000
Carrying amounts of goodwill by CGU		
Jemena Gas Network ("JGN")	**502,738**	502,738
Jemena Electricity Network ("JEN")	**148,144**	148,144
Jemena Eastern Gas Pipeline ("EGP")	**760,982**	760,982
Jemena Queensland Gas Pipeline ("QGP")	**10,939**	10,939
Jemena Darling Downs Pipeline Network ("DDPN")	**25,272**	25,272
Jemena Colongra	**-**	-
Jemena Northern Gas Pipeline ("NGP")	**-**	-
Roma North	**-**	-
Zinfra	**88,298**	88,298
50% of ActewAGL Distribution Partnership ("ADP")	**-**	-
34% of United Energy Distribution Holdings Pty Ltd ("UEDH")	**-**	-
Total goodwill	**1,536,373**	1,536,373
Intangible Assets - JEN licence	**10,516**	10,516
Total of licence	**10,516**	10,516
Total	**1,546,889**	1,546,889

CGU impairment testing was carried out at 31 December 2023 resulting in no impairment being recognised (2022: nil).

SECTION C OUR ASSETS

(c) Critical accounting estimates and judgements

Fair value less costs of disposal is measured using some inputs that are not based on observable market data, deemed level 3 within the fair value hierarchy as per note F1.

The following table lists critical estimates and assumptions used in estimating the recoverable amount of CGUs:

CGU	Cash Flow Horizon (years) [a]	Terminal Value Assumptions [b]	Post Tax Discount WACC 2023 [c]	Post Tax Discount WACC 2022 [c]	Comments on critical estimates and assumptions
Regulated Assets					
JGN	10 (2022: 10)	RAB 1.35 x (2022: 1.4)	4.53%	4.46%	- For regulated assets where terminal values are a significant driver of recoverable value, the Group monitors risks and opportunities on an ongoing basis in relation to any change including cross checking with implied market multiples of peers and recent market transactions for recent changes in RAB multiples. The free cash flow horizons reflect the key assumptions behind JGN's renewable gas strategy and JEN's growth strategy. - The RAB multiple for JGN was adjusted from 1.40x to 1.35x to be more aligned with market expectations of renewable gas uptake and its position in the future energy mix. Management will continue to closely observe these market expectations in future periods and will adjust this multiple accordingly. - JGN's market and commercial dynamics continue to evolve in 2024 and Management is focussed on further scenario testing with consideration given to JGN's strategy involving the commercial landscape, renewable/green gas transition, future access arrangements and capital programme optimisation. These focus points will therefore, underpin JGN's future cash flows and recoverable value in a net zero environment by 2050 and beyond.
JEN	10 (2022: 10)	RAB 1.6 x (2022: 1.6)	4.13%	4.46%	
UED	5 (2022: 5)	RAB 1.6 x (2022: 1.6)	4.13%	4.46%	
ADP	5 (2022: 5)	RAB 1.5 x (2022: 1.5)	4.13%	4.46%	

SECTION C OUR ASSETS

CGU	Cash Flow Horizon (years) [a]	Terminal Value Assumptions [b]	Post Tax Discount WACC 2023 [c]	Post Tax Discount WACC 2022 [c]	Comments on critical estimates and assumptions
Gas Transmission					
EGP	10 (2022: 10)	Perpetual Growth (0.50%) - 1.0% (2022: (0.50%) - 1.0%)	4.39% - 5.96%	4.72% - 6.30%	- The Group monitors risks and opportunities on an ongoing basis for any change in the assumptions supporting the growth rates and forward profile of cash flows for these CGUs, including key elements of the discount rate which can have a material impact on the recoverable amount. - The perpetual growth assumption is largely determined by demand/supply dynamics, alternate energy supplies, recontracting and the projected Australian Consumer Price Index. While inflation in the short term is high, the Group expects inflation to normalise and stabilise in the long-term.
QGP	10 (2022: 10)				
DDPN	10 (2022: 10)				
Roma North	10 (2022: 10)				
NGP	10 (2022: 10)				
Colongra	7 (2022: 8)				
Services					
Zinfra	5 (2022: 5)	Perpetual Growth 1.0% (2022:1.0 %)	9.27%	9.71%	- The market continues to be highly competitive and may potentially impact revenue and EBITDA margin growth rates. The ability to maintain competitive margins as well as managing re-contracting risk for key customers remains a focus for the business. - Growth is driven mainly by revenue growth project and services contracts supported by identified opportunities, realistic win rates and historical trends.

Notes:

a The forecasts include assumptions related to the growth in revenue, operating expenditure and capital expenditure. For regulated CGUs, the growth assumption is primarily driven by the assumptions in the regulatory building block models with growth being a function of the regulated asset base ("RAB") and the allowable return from the regulator in the current regulatory period and expected future returns in the years post the current regulatory period.

b Terminal values are calculated by applying a multiple to the RAB in the terminal year for regulated assets and terminal growth rates to terminal year cash flows for unregulated assets.

c All CGUs' future nominal cash flows are discounted to their present value using a discount rate based on the weighted average cost of capital ("WACC"). The WACC takes into account the average rates of return required by providers of debt and equity capital (proxy weighted to the market) to compensate them for the time value of money and the inherent risk or uncertainty in achieving the cash flow returns for that outlay of capital estimating a transactional "fair value" environment.

d Long-term risk free rate is consistently applied across the discount WACC rates for all CGUs in the Group.

SECTION C OUR ASSETS

Reasonably possible change in key assumptions
The recoverable amount for the following CGUs approximates their carrying value. Accordingly, any deterioration in the key assumptions would result in possible recoverable amount deficiencies:

The market, regulatory and commercial dynamics particularly pertaining to EGP, NGP and JGN CGUs continue to evolve and Management is focussed on their strategy involving the commercial landscape, renewable gas transition, future access arrangements and capital programme optimisation. These considerations are set in a backdrop of a market trends toward decarbonisation where the impact to long-term gas demand and growth rates continue to be fluid.

- NGP: Management continues to work to secure additional long-term revenues on NGP through various initiatives. Negotiations continue with multiple counterparties and the cash flows included are based on the best information at reporting date. The long term cash flows are mainly reliant on development of gas reserves in the Beetaloo basin and customer contracting for transmission services into the East Coast market, or transmission services to supply gas from the East Coast market into the Northern Territory.

- EGP: Management continues to work to further secure long-term revenue on the EGP through the Southern Gas Strategy. The Southern Gas Strategy involves among other things the construction and connection of the EGP to the proposed Port Kembla Energy Terminal. Negotiations continue with multiple counterparties and the cash flows included are based on the best information at reporting date on the most current view of demand and supply factors. Further, the cash flow assumptions also assume that, where relevant, re-contracting will be performed in accordance with any Gas Market Reform rules.

- JGN: Management continues to assess assumptions pertaining to volume relating to residential and industrial/ commercial customers and various regulatory assumptions. On a broader lens, Management has committed to invest in developing renewable gas technologies and continue to perform scenario testing as part of the long-term strategy to plan for the future of the portfolio, in a net zero environment by 2050 and beyond.

C6 Capital commitments

Capital expenditure contracted for at balance date but not recognised as a liability by the Group is as follows:

	2023 $'000	2022 $'000
Payable within one year	**8,798**	9,957
Payable later than one year but not later than five years	**-**	1,919
	8,798	11,876

SECTION D FINANCING OUR BUSINESS

D1 Interest bearing liabilities

(a) Accounting policy

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are either stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(b) Interest bearing liabilities

			Current		Non-current	
			2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
	Maturity date	**Issue rate**				
Unsecured						
Bank loans - Syndicated Facility Agreements			**-**	-	**950,000**	465,000
Bank loans - Bilateral Facility Agreements			**-**	-	**500,283**	365,000
Less: borrowing costs			**(72)**	-	**(5,833)**	(4,846)
Debt securities						
- USD 500m MTN	09-Apr-23	3.300%	**-**	727,630	**-**	-
- AUD 350m MTN	28-Jun-23	3.750%	**-**	348,304	**-**	-
- USD 500m MTN	29-Jul-26	3.250%	**-**		**686,224**	667,230
- HKD 875m MTN	21-May-27	3.300%	**-**	-	**157,471**	151,672
- USD 500m MTN	07-Jul-27	3.500%	**-**	-	**693,735**	679,399
- AUD 250m MTN	27-Sep-24	3.750%	**250,000**	-	**-**	250,000
- HKD 785m MTN	28-Mar-29	2.850%	**-**	-	**147,599**	147,515
- AUD 92m MTN	20-Jul-29	2.789%	**-**	-	**92,000**	92,000
- HKD 739m MTN	20-Dec-29	2.535%	**-**	-	**138,949**	138,871
- AUD 159m MTN	27-Feb-35	2.680%	**-**	-	**159,000**	159,000
- AUD 350m MTN	15-Sep-28	1.843%	**-**	-	**336,692**	332,168
- HKD 900m MTN	04-Jan-27	1.440%	**-**	-	**156,968**	149,826
- AUD 100m MTN	29-Nov-28	2.525%	**-**	-	**91,436**	87,737
- AUD 300m MTN	17-Dec-29	2.620%	**-**	-	**266,914**	254,283
- HKD 800m MTN	18-Oct-32	4.920%	**-**	-	**157,875**	152,031
- AUD 106m MTN	08-Dec-32	6.056%	**-**	-	**106,000**	106,000
- AUD 175m MTN	15-Jan-30	BBSW + 1.7%	**-**	-	**175,000**	175,000
- AUD 85m MTN	15-Jan-30	BBSW + 1.7%	**-**	-	**85,000**	
- HKD 785m MTN	20-Mar-33	4.854%	**-**	-	**155,433**	-
- HKD 600m MTN	09-Jun-30	4.520%	**-**	-	**115,128**	-
- AUD 30m MTN	29-Jun-33	5.988%	**-**	-	**30,721**	-
Less: borrowing costs			**(406)**	(500)	**(9,800)**	(12,355)
Convertible Instruments*	04-Sep-50	10.25%	**-**	-	**800,000**	800,000
			249,522	1,075,434	**5,986,795**	5,155,531
			249,522	1,075,434	**5,986,795**	5,155,531

For more information about the Group's exposure to interest rate and foreign currency risk, see note D4. Details of financing facilities utilised/unutilised are also contained in note D4(d).

* Refer to Note E4(e) and F3 for further information regarding the CI and its conversion subsequent to balance date.

SECTION D FINANCING OUR BUSINESS

D2 Finance income and costs

(a) Accounting policy

Finance income and costs are recognised using the effective interest method.

Borrowing costs that are directly attributable to the construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. The capitalisation rate used to determine the amount of borrowing costs to be included in the cost of qualifying assets is the weighted average interest rate of 4.04% for the year applicable to the Group's outstanding borrowings (year ended 31 December 2022: 3.82%). Generally, the Group's gearing rate is applied to the capitalisation rate to determine the amount of interest to capitalise.

(b) Summary

	2023 $'000	2022 $'000
Finance income		
Interest on funds invested	**583**	196
Interest on lease receivable	**6,234**	4,891
Defined benefit net interest	**2,362**	1,323
	9,179	6,410
Finance costs		
Interest and finance charges paid/payable on borrowings	**(255,699)**	(281,978)
Gain/(loss) on the fair value hedging instruments (fair value hedges)	**(163,580)**	(299,141)
Gain/(loss) on the fair value hedged items (fair value hedges)	**163,064**	298,944
Ineffectiveness from cash flow hedges	**(123)**	1,474
Capitalised finance charges	**8,148**	6,810
Interest on leases	**(4,493)**	(4,515)
Unwinding of discount on liabilities	**(2,299)**	(1,144)
	(254,982)	(279,550)

SECTION D FINANCING OUR BUSINESS

D3 Derivative financial instruments and hedging reserve

(a) Accounting policy

The Group uses derivative financial instruments such as interest rate swaps, cross currency swaps and foreign exchange contracts to hedge its exposure to foreign exchange and interest rate risks arising from financing activities. The Group does not speculatively trade in derivative financial instruments, however, derivative financial instruments that do not qualify for hedge accounting are accounted for as held for trading.

Derivative financial instruments are recognised at fair value (refer to note F1) determined using level 2 fair value hierarchy inputs, and using discounted cash flow analysis.

The Group applies the maturity date approach to classify derivative financial instruments. Derivative financial instruments are classified as non-current, except for those instruments that mature in less than 12 months from balance date, which are classified as current.

In order to qualify for hedge accounting all of the following hedge effectiveness testing criteria need to be met:
- 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; and
- the hedge ratio is the same as that resulting from actual amounts of hedged items and hedging instruments for risk management.

(i) Hedge ineffectiveness

Hedge ineffectiveness may arise from counterparty credit risk, changes in timing of the forecast transactions and forecast transactions not occurring. However, the Group tests the hedging effectiveness periodically to ensure that the sources of ineffectiveness do not dominate the hedge relationship.

(ii) Fair value hedges

Changes in the fair value of a derivative financial instrument designated as a fair value hedge of the exposure to changes in fair value of a recognised asset, liability or unrecognised firm commitment, is recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, the gain or loss attributable to the hedged risk is recognised in the income statement with an adjustment to the carrying amount of the hedged item.

(iii) Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated in the hedging reserve. The ineffective portion of the gain or loss is recognised in the income statement.

When the forecast transaction subsequently results in the recognition of a non-financial asset or liability, or a forecast transaction for a non-financial asset or liability becomes a firm commitment for which hedge accounting is applied, the associated cumulative gains or losses is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecasted transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into the income statement in the same year or years during which the asset acquired or liability assumed affects the income statement (e.g. when interest expense is recognised). In either case, if the amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into the income statement.

When a cash flow hedging instrument expires or is sold, terminated or exercised and the hedged forecast transaction is still expected to occur, the cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement or used to adjust the initial cost of the non-financial item. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is immediately transferred to the income statement.

(iv) Foreign currency basis spreads

The cumulative change in fair value of the foreign currency basis spreads of cross currency interest rate swaps designated in hedge relationships is recognised as a cost of hedging in a separate component of the hedging reserve.

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(b) Critical accounting estimates and judgements

The fair value of derivative financial instruments is determined as follows:

- the fair value of derivative financial instruments with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices. The quoted market price used is the current mid-price, as the derivative financial instruments are in hedging relationships with offsetting market risks; and

- the fair value of other derivative financial instruments is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Judgements about whether the Group's hedges are in effective economic relationships are on the basis of critical terms of the hedging instrument and hedged item being aligned; including face values, cash flows and currency, and the relationship between the hedged risk and the corresponding value of the hedging derivatives resulting in a hedge ratio of one.

(c) Summary of carrying amount

	Current		Non-current	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Derivative financial instruments - Assets*				
Fair value hedges				
Cross currency swap contracts	**-**	247,848	**(99,425)**	(85,830)
Interest rate swap contracts	**-**	-	**520**	-
Cash flow hedges				
Cross currency swap contracts	**-**	350	**195,859**	130,111
Interest rate swap contracts	**1,253**	699	**242,350**	340,413
Forward foreign exchange contracts	**74**	-	**-**	-
Instruments which do not qualify for hedge accounting				
Interest rate swap contracts	**-**	-	**-**	-
	1,327	248,897	**339,304**	384,694

	Current		Non-current	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Derivative financial instruments - Liabilities*				
Fair value hedges				
Cross-currency swap contracts	**-**	-	**(10,268)**	64,434
Interest rate swap contracts	**-**	1,624	**54,344**	75,327
Cash flow hedges				
Cross-currency swap contracts	**-**	-	**22,695**	(50,411)
Interest rate swap contracts	**-**	-	**7,982**	-
Forward foreign exchange contracts	**142**	82	**2**	12
Instruments which do not qualify for hedge accounting				
Interest rate swap contracts	**-**	-	**-**	-
	142	1,706	**74,755**	89,362

	2023 %	2022 %
Weighted Average Interest Rate		
Cross currency swap contracts	**5.21**	2.59
Interest rate swap contracts	**(0.77)**	1.09

*The Group classifies derivative financial instruments with positive fair values as assets and negative fair values as liabilities. The Group also presents the fair value of the derivative financial instruments based on their bifurcated and trifurcated hedge accounting designations.

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(d) Foreign currency risk management

The following table summarises the carrying amount and hedge accounting designations of foreign exchange contracts used to manage foreign currency exposure:

	Weighted average exchange rate	Foreign currency contract value FC$'000	Carrying amount $'000	Less than 1 year $'000	1- 5 years $'000
2023					
Forward foreign currency contracts					
- Buy USD (United States Dollar)	**0.6583**	**4,117**	**(70)**	**(68)**	**(2)**
2022					
Forward foreign currency contracts					
- Buy USD (United States Dollar)	0.6739	4,938	(94)	(82)	(12)

(e) Hedge accounting

At 31 December 2023, the Group held various types of derivative financial instruments and formally designated them in cash flow and fair value hedge relationships for accounting purposes, in accordance with the requirements of AASB 9. The following table summarises the derivative financial instruments in the consolidated balance sheet and the effects of hedge accounting on the Group's financial position and performance for 2023:

	Nominal amount of hedging instrument $'000	Change in the value of the hedging instrument used for calculating hedge ineffectiven-ess $'000	Change in value of the hedged item used for calculating hedge ineffectiven-ess $'000	Change in value of the hedging instrument recognised in hedging reserve $'000	Hedge ineffectiven-ess recognised in (profit) and loss $'000	Amount reclassified from the cash flow hedge reserve to (profit) or loss $'000
Cash flow hedges						
Interest (up to 11 years)	3,790,000	(105,499)	105,499	(105,499)	-	-
Capital expenditure (up to 1 year)	6,254	22	(22)	22	-	-
Foreign currency debt (up to 8 years)	2,424,573	3,674	(3,797)	3,797	123	-
Fair value hedges						
Local Currency debt (up to 8 years)	530,000	23,127	(23,262)	N/A	135	N/A
Foreign currency debt (up to 8 years)	2,145,238	(186,707)	186,326	N/A	381	N/A

The following table summarises the carrying amounts and accumulated fair value adjustments of the hedged items:

	Hedged items	Carrying amount $'000	Accumulated fair value adjustment $'000
As at 31 December 2023			
Bank loans	Interest bearing liabilities	(95,283)	2,510
Debt securities	Interest bearing liabilities	(3,135,145)	(28,365)
		(3,230,428)	**(25,855)**
As at 31 December 2022			
Debt securities	Interest bearing liabilities	(3,836,666)	(200,324)
		(3,836,666)	**(200,324)**

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(f) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net changes in the fair value of cash flow hedging instruments related to highly probable forecast transactions. The future periods in which the cash flows associated with derivative financial instruments in the cash flow hedge reserve are expected to impact profit and loss are the same as when the hedged highly probable cash flows are expected to occur.

	2023* $'000	2022* $'000
Balance at beginning of the year	**260,693**	(71,894)
Revaluation (cash flow hedge accounting)	**(75,037)**	298,765
Revaluation (foreign currency basis spreads)**	**3,861**	1,548
Share of associate's hedge reserve	**(8,293)**	32,274
Balance at end of the year	**181,224**	260,693

* The numbers are net of tax.

** AASB 9 requires the foreign currency basis spreads of cross currency swaps to be separated from hedge relationships in Equity.

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D4 Financial Risk Management

Overview
The Group has exposure to the following risks from the use of financial instruments:
- interest rate risk
- currency risk
- credit risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework
The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board has established the Risk, Health, Safety and Environment Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Risk Management framework operates in conjunction with several other policies of the Group, including the:
- Delegations of Financial Authority which sets out the approvals required for such transactions as investment of surplus funds, execution of hedging transactions, borrowings and issue of guarantees and indemnities;

- Treasury Operations Manual which sets out the day-to-day Treasury front office processes such as cash management and the operations of the Treasury back office, such as settlement processes and bank account operations; and

- Refinancing and Hedging Strategy which sets out the refinancing and hedging strategies over the relevant financial period.

Together, these policies provide a financial risk management framework which supports the Group's objectives of finding the right balance between risk and reward to enhance profitability and business performance while minimising current and future exposures.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:
- forward foreign exchange contracts;
- interest rate swaps ("IRS"); and
- cross currency swaps ("CCS").

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

It is the Group's policy to ensure, wherever possible, that all hedging activities comply with the hedge accounting requirements of AASB 9 *Financial Instruments* . However, there may be instances where it makes commercial and economic sense to enter into derivative financial instrument transactions that do not achieve hedge accounting. In these instances, under AASB 9 such derivative financial instruments must be classified as "held for trading". However, this classification is not an indication of intent to trade in derivative financial instruments.

The material financial risks associated with the Group's activities are each described below, together with details of the Group's policies for managing the risk.

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(a) Interest rate risk

The Group is exposed to the risk of movements in interest rates on its borrowings. In addition, the regulated electricity distribution business and gas distribution business revenues are impacted directly by changes in the interest rates relating to each of their respective price review periods. This is a result of the "building block" approach where interest rates are considered in the determination of the regulatory weighted average cost of capital and consequently, regulated revenues. The price review period is five years for gas and electricity distribution. The AER has in December 2018 issued its guidelines for determining the rate of return for regulated assets. This guideline impacts the hedging approach taken by the Group, as it now references a 10-year trailing average method rather than market observation at the start of the regulatory period. Hedging of interest rate exposure is aligned to the transition path proposed by the AER.

The objective of hedging activities carried out by the Group in relation to these businesses is to minimise the exposure to changes in interest rates by matching the actual cost of debt with the cost of debt assumed by the regulator when setting the rate of return for the relevant business. The exposure is managed by maintaining an appropriate mix of fixed and floating rate borrowings and by the use of IRS.

The debt portfolio of the Group consists of both floating rate debt and fixed rate debt. The Group's interest rate hedging policy is linked to debt notionally allocated to the asset classes. Interest rate derivative financial instruments are used in order to maintain the percentage of allocated fixed rate debt according to the asset classes (Jemena, which includes regulated network assets and pipelines; and Zinfra, which is an infrastructure services business), as approved by the Board. Hedging of the regulated assets is aligned with tenures linked to the respective regulatory reset periods.

As at balance date, the Group had the following financial assets and liabilities exposed to fair value interest rate risk that were not designated in a hedging relationship:

	2023 $'000	2022 $'000
Financial assets:		
Cash at bank and in hand	**30,889**	47,055
	30,889	47,055
Financial liabilities:		
Bank loans and debt securities not designated in an interest rate hedging relationship	**500,238**	267,007
	500,238	267,007

The Group utilises IRS to manage its exposure to interest rate risk. Under IRS, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on debt held.

Due to the Group's interest rate risk management policies, the exposure at a corporate level to interest rate risk at any point in time is significantly reduced. At balance date, 90.8% (2022: 92.9%) of the Group's borrowings are fixed through either fixed rate debt or pay fixed IRS.

The Group's exposure to changes in interest rates is limited to exposure denominated in Australian dollars due to our policy of mitigating interest rate risk exposure on foreign currency debt. As a result, the sensitivity analysis below has only been performed based on movements in Australian interest rates. As at reporting date, if Australian interest rates had increased and decreased by 249 basis points as at 31 December 2023 (2022: 180 basis points), with all other variables held constant, post-tax profit and equity would have increased/(decreased) as follows:

Sensitivity Analysis

	2023		2022	
	Net profit/(loss) $'000	**Equity $'000**	Net profit/(loss) $'000	Equity $'000
Increase in Australian interest rates	**(10,833)**	**284,601**	(6,422)	210,820
Decrease in Australian interest rates	**11,642**	**(335,748)**	6,664	238,989

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(b) Currency risk

The Group's policy is to eliminate all currency risk due to funding activities in offshore debt markets. All foreign currency denominated debt has been fully hedged through the use of cross currency swaps into Australian dollar debt. Other foreign exchange rate exposures arising from commitments to foreign currency purchases are managed within approved policy parameters utilising forward foreign exchange contracts.

The objective of the Group's currency risk management program is to eliminate material foreign exchange risk by utilising various hedging techniques as approved by the Board. The Group therefore considers currency risk exposure to be minimal.

The Group enters into cross currency swaps to manage exposures from foreign currency loans in USD, CNY and HKD (refer note D3(c)). It is the policy of the Group to cover 100 per cent of the exposure generated by these loans.

Under cross currency swaps, the Group agrees to exchange specified principal and interest foreign currency amounts at an agreed future date at a specified exchange rate. Such contracts enable the Group to mitigate the risk of adverse movements in foreign exchange rates.

As at balance date, the Group held the following cross currency swaps for foreign currency denominated borrowings. The maturity of these swaps matches the maturity of the relevant foreign currency denominated borrowings.

	2023 $'000	2022 $'000
Cross currency swaps notional amounts		
USD	**1,319,558**	1,799,004
HKD	**1,007,222**	737,337
CNY	**97,793**	-
	2,424,573	2,536,341

The Group also enters into forward foreign exchange contracts to hedge the exchange rate risk in relation to specific purchase orders (refer note D3(d)). It is the policy of the Group to fully hedge currency exposures above an approved threshold once the exposure is recognised. The derivative financial instrument used to hedge the exposure is entered into when there is a high degree of certainty as to the nature of the exposure, including currency, amount and delivery date so as to ensure a high level of effectiveness in cash flow hedging.

As at balance date, the Group had the following financial assets and liabilities exposed to currency risk that were not designated in a hedging relationship.

	2023 $'000	2022 $'000
Financial assets:		
Cash (USD denominated)	**463**	4,824
	463	4,824

Sensitivity analysis performed by management showed that movement in foreign currencies and the impact on net profit and equity is not material.

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(c) Credit risk

Credit risk refers to the risk a counterparty will default on its contractual obligations resulting in financial loss to the Group and arises from the Group's financial assets, comprising cash and cash equivalents, trade and other receivables and derivative financial instruments.

The Group has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate values of transactions conducted are spread amongst approved counterparties. The Group therefore considers credit risk exposure to be minimal.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with strong investment grade credit ratings assigned by international credit rating agencies. Accounts receivable consist of a number of customers, spread across a range of industries and geographical areas. In most part, the Group's revenue is sourced from its regulated energy networks, contracted gas pipelines with large industrial customers, and maintenance services provided predominantly to other regulated energy utilities. Despite the relatively low risk of bad debts, the Group regularly monitors the financial condition of its accounts receivable balances to ensure the exposure to bad debts is minimised. Refer to note B7 for more information.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for impairment losses and credit value adjustments, represents the Group's maximum exposure to credit risk.

(d) Liquidity risk

The Group targets a minimum net liquidity, defined as available short term funds and committed financing facilities. As at balance date, the Group had the following committed financing facilities available:

	2023 $'000	2022 $'000
Floating rate		
Unsecured working capital, reviewed annually:		
- Amounts used - bank guarantees	**37,234**	25,399
- Amount unused	**162,766**	174,601
Unsecured bilateral facilities with various maturity dates and which may be extended by mutual agreement:		
- Amount used	**502,793**	365,000
- Amount unused	**60,000**	-
Unsecured syndicated bank loan facilities:		
- Amount used	**950,000**	465,000
- Amount unused	**230,000**	885,000
Total amount used	**1,490,027**	855,399
Total amount unused (refer note A1(a))	**452,766**	1,059,601

The Group manages liquidity risk by maintaining adequate cash reserves, committed banking facilities and reserve borrowing facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As part of managing liquidity risk, the Group aims to maintain a diversified debt portfolio, in terms of maturity and source. In this regard, the Group has raised funds in both the bank debt market, the domestic and offshore capital markets. The investment grade credit rating of the Group ensures ready access to both domestic and offshore capital markets.

Liquidity risk is managed by the Group based on expected net cash inflows and outflows from financial assets and liabilities and available banking facilities combined with access to global capital markets.

The Group continues to manage liquidity and refinancing risks in accordance with the Board approved treasury management framework and long term funding principles. The following table summarises the maturities of the Group's financial assets and liabilities based on the remaining earliest contractual maturities at carrying amount.

SECTION D FINANCING OUR BUSINESS

(d) Liquidity risk

	Carrying amounts $'000	Undiscounted contractual cash flow: Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
As at 31 December 2023						
Financial assets						
Cash and cash equivalents	30,889	30,889	-	-	-	30,889
Receivables	295,050	295,050	-	-	-	295,050
Lease receivables*	90,889	11,920	12,126	34,393	69,145	127,584
Interest rate swaps	244,123	61,722	43,652	104,919	84,021	294,314
Cross-currency swaps	96,434	-	-	-	-	-
Cross currency swaps - receive	-	65,196	65,210	1,916,204	294,276	2,340,886
Cross currency swaps - pay	-	(105,884)	(97,821)	(1,751,144)	(283,986)	(2,238,835)
Forward foreign currency contracts	74	74	-	-	-	74
	757,459	358,967	23,167	304,372	163,456	849,962
Financial liabilities						
Variable interest rate loans	1,204,095	85,399	427,923	921,018	483,652	1,917,992
Fixed interest rate loans	4,232,222	376,112	116,737	2,520,840	1,539,612	4,553,301
Convertible instruments	800,000	82,000	82,000	246,000	2,577,266	2,987,266
Payables	185,673	185,673	-	-	-	185,673
Lease liabilities	101,496	26,865	24,894	59,217	-	110,976
Interest rate swaps	62,326	13,078	12,756	38,249	5,153	69,236
Cross-currency swaps	12,427	-	-	-	-	-
Cross-currency swaps - receive	-	(22,563)	(22,576)	(156,625)	(486,453)	(688,217)
Cross-currency swaps - pay	-	29,534	26,930	169,560	516,279	742,303
Forward foreign currency contracts	144	135	2	-	-	137
	6,598,383	776,233	668,666	3,798,259	4,635,509	9,878,667
Net maturity		(412,683)	(645,499)	(3,493,887)	(4,472,053)	(9,024,122)

* The unearned finance income arising from the lease receivables is $36.7 million (2022: $43.2 million).

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		Undiscounted contractual cash flow				
	Carrying amounts $'000	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
As at 31 December 2022						
Financial assets						
Cash and cash equivalents	47,055	47,055	-	-	-	47,055
Receivables	218,365	218,365	-	-	-	218,365
Lease receivables	96,121	11,692	11,920	37,069	78,595	139,276
Interest rate swaps	341,112	39,721	48,479	118,703	132,217	339,120
Cross-currency swaps	292,479	-	-	-	-	-
Cross currency swaps - receive	-	811,190	65,166	1,972,769	301,835	3,150,960
Cross currency swaps - pay	-	(586,505)	(99,198)	(1,842,301)	(292,196)	(2,820,200)
Forward foreign currency contracts	-	-	-	-	-	-
	995,132	541,518	26,367	286,240	220,451	1,074,576
Financial liabilities						
Variable interest rate loans	635,154	38,323	40,192	881,269	198,648	1,158,432
Fixed interest rate loans	4,795,811	1,214,471	362,018	2,085,199	1,690,030	5,351,718
Convertible instruments	800,000	82,000	82,000	246,000	2,659,266	3,069,266
Payables	218,075	218,075	-	-	-	218,075
Lease liabilities	100,768	25,146	20,384	58,104	8,513	112,147
Interest rate swaps	76,951	11,938	11,374	34,008	18,666	75,986
Cross-currency swaps	14,023	-	-	-	-	-
Cross-currency swaps - receive	-	(7,396)	(7,401)	(22,185)	(187,320)	(224,302)
Cross-currency swaps - pay	-	8,265	8,815	25,928	207,790	250,798
Forward foreign currency contracts	94	75	4	2	-	81
	6,640,876	1,590,897	517,386	3,308,325	4,595,593	10,012,201
Net maturity		(1,045,767)	(491,019)	(3,022,085)	(4,375,142)	(8,934,013)

SECTION D FINANCING OUR BUSINESS

(e) Fair value of financial assets and liabilities

The Group classified the fair value measurements (refer note F1) of its financial instruments using a level 2 fair value hierarchy that reflects the significance of the inputs used in making the measurements. Fair value is measured using valuation techniques and significant market observable data as well as market corroboration based on active quotes. These include industry standard interest rate, foreign exchange and currency basis yield curves sourced directly from the Treasury Management System. In addition, an adjustment to the fair value for all cross currency and interest rate swap contracts is applied for credit risk in accordance with AASB 13 Fair Value Measurement. Credit risk is obtained directly from the observable Credit Default Swap curves within the Treasury Management System for each of the relevant counterparties, with the Bilateral Credit Risk applied uniformly across all swap assets and liabilities as at balance date.

With the exception of the below, the fair values of other financial assets and liabilities approximate their carrying amounts.

	Carrying amount		Fair value	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Financial liabilities				
Debt securities (fixed rate)	**3,731,939**	4,430,811	**3,467,440**	3,874,394
Debt securities (floating rate)	**260,000**	175,000	**262,722**	176,667

(f) Financial covenants

The terms of certain financing arrangements contain financial covenants.

The Group regularly monitors compliance with its financial covenants and reports to its banking syndicate on a semi-annual basis and was in compliance with its financial covenants throughout the year.

As disclosed in D1(b) and D4(d), the Group has secured bank loans that are subject to specific covenants. While these liabilities are classified as non-current at 31 December 2023, a future breach of the related covenants may require the Group to repay the liabilities earlier than the contractual maturity dates. The Group is in the process of assessing the potential impact of the amendments to AASB 101 as disclosed in Note A2(a) which will apply in future periods.

D5 Share capital

(a) Accounting policy

Ordinary share capital is recorded at the fair value of consideration received. The costs of issuing securities are charged against the share capital. Ordinary share capital bears no special terms or conditions affecting income or Capital entitlements of the shareholders.

(b) Summary

	2023 $	2022 $
Fully paid ordinary shares (at $1 each)	**3,200,000,100**	3,200,000,100
	3,200,000,100	3,200,000,100

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D6 Reconciliation of movements of assets and liabilities to cash flows arising from financing activities

	1 January 2023	Cash flows				Non-cash changes			31 December 2023
	Opening Balance $'000	Proceeds from borrowings $'000	Repayment of borrowings $'000	Payment of lease liabilities $'000	Other $'000	Fair value changes $'000	Additions/ (Disposals) $'000	Other $'000	Closing Balance $'000
Interest bearing liabilities									
Bank loans	825,154	1,687,793	(1,065,000)	-	-	(2,510)	-	(1,059)	1,444,378
Debt securities	4,605,811	386,001	(829,446)	-	-	(173,076)	-	2,649	3,991,939
Convertible Instruments	800,000	-	-	-	-	-	-	-	800,000
	6,230,965	2,073,794	(1,894,446)	-	-	(175,586)	-	1,590	6,236,317
Derivative financial instruments - Assets									
Cross currency swap contracts	(292,479)	-	-	-	-	196,045	-	-	(96,434)
Interest rate swap contracts	(341,112)	-	-	-	-	96,989	-	-	(244,123)
Forward foreign exchange contracts	-	-	-	-	-	(74)	-	-	(74)
	(633,591)	-	-	-	-	292,960	-	-	(340,631)
Derivative financial instruments - Liabilities									
Cross currency swap contracts	14,023	-	-	-	-	(1,596)	-	-	12,427
Interest rate swap contracts	76,951	-	-	-	-	(14,625)	-	-	62,326
Forward foreign exchange contracts	94	-	-	-	-	50	-	-	144
	91,068	-	-	-	-	(16,171)	-	-	74,897
Lease liabilities									
Lease liabilities	100,768	-	-	(30,063)	-	-	26,150	4,641	101,496
	100,768	-	-	(30,063)	-	-	26,150	4,641	101,496

SECTION D FINANCING OUR BUSINESS

D6 Reconciliation of movements of assets and liabilities to cash flows arising from financing activities

	1 January 2022	Cash flows				Non-cash changes			31 December 2022
	Opening Balance $'000	Proceeds from borrowings $'000	Repayment of borrowings $'000	Payment of lease liabilities $'000	Other $'000	Fair value changes $'000	Additions/ (Disposals) $'000	Other $'000	Closing Balance $'000
Interest bearing liabilities									
Bank loans	560,059	1,325,000	(1,060,000)	-	-	-	-	95	825,154
Debt securities	5,068,099	439,818	(723,275)	-	-	(181,115)	-	2,284	4,605,811
Convertible instruments	800,000	-	-	-	-	-	-	-	800,000
	6,428,158	1,764,818	(1,783,275)	-	-	(181,115)	-	2,379	6,230,965
Derivative financial instruments - Assets									
Cross currency swap contracts	(388,002)	-	-	-	-	95,523	-	-	(292,479)
Interest rate swap contracts	(45,496)	-	-	-	-	(295,616)	-	-	(341,112)
Forward foreign exchange contracts	(108)	-	-	-	-	108	-	-	-
	(433,606)	-	-	-	-	(199,985)	-	-	(633,591)
Derivative financial instruments - Liabilities									
Cross currency swap contracts	591	-	-	-	-	13,432	-	-	14,023
Interest rate swap contracts	136,913	-	-	-	-	(59,962)	-	-	76,951
Forward foreign exchange contracts	52	-	-	-	-	42	-	-	94
	137,556	-	-	-	-	(46,488)	-	-	91,068
Lease liabilities									
Lease liabilities	113,397	-	-	(28,966)	-	-	11,822	4,515	100,768
	113,397	-	-	(28,966)	-	-	11,822	4,515	100,768

SECTION D FINANCING OUR BUSINESS

D7 Leases

(a) Accounting policy

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for the period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor
When the Group acts as a lessor, it determines at lease inception whether each lease is a finance or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies AASB 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in AASB 9 to the net investment in the lease and regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

SECTION D FINANCING OUR BUSINESS

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) Critical accounting estimates and judgements

The assessment of lease term requires judgement as to whether the Group is reasonably certain to exercise extension options.

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group re-assesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

(c) Right of use asset movements

	Land and Buildings $'000	Motor Vehicles $'000	Other Property, Plant and Equipment $'000	Total $'000
Year ended 31 December 2023				
Opening carrying amount - 1 January 2023	**35,119**	**11,985**	**775**	**47,879**
Additions	**8,670**	**17,242**	**238**	**26,150**
Depreciation charge	**(9,196)**	**(8,738)**	**(803)**	**(18,737)**
Disposals	**-**	**-**	**-**	**-**
Impairment loss	**(3,279)**	**-**	**-**	**(3,279)**
Closing carrying amount - 31 December 2023	**31,314**	**20,489**	**210**	**52,013**
At 31 December 2023				
Cost	**93,245**	**66,284**	**4,477**	**164,006**
Accumulated depreciation	**(61,931)**	**(45,795)**	**(4,267)**	**(111,993)**
Carrying amount	**31,314**	**20,489**	**210**	**52,013**
Year ended 31 December 2022				
Opening carrying amount - 1 January 2022	68,374	11,500	1,557	81,431
Additions	2,347	9,423	91	11,861
Depreciation charge	(12,552)	(8,831)	(873)	(22,256)
Disposals	-	(107)	-	(107)
Derecognition	(18,983)	-	-	(18,983)
Impairment loss	(4,067)	-	-	(4,067)
Closing carrying amount - 31 December 2022	35,119	11,985	775	47,879
At 31 December 2022				
Cost	87,854	49,068	4,239	141,161
Accumulated depreciation	(52,735)	(37,083)	(3,464)	(93,282)
Carrying amount	35,119	11,985	775	47,879

(d) Lease receivables

At 31 December 2023, the lease receivables pertain to two categories: property sub-leases, which are classified as finance sub-leases and finance leases of the Group's owned infrastructure assets.

The maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date, is disclosed in note D4(d).

SECTION E GROUP STRUCTURE

E1 Parent entity information

(a) Parent entities

The Company is the ultimate Australian parent of the Group.

The ultimate parent entity is State Grid Corporation of China ("SGCC").

SECTION E GROUP STRUCTURE

(b) Financial information of the Company

	2023 $'000	2022 $'000
Balance sheet		
Assets		
Current assets	**4,818,971**	4,561,564
Non-current assets	**6,257,242**	6,251,466
Total assets	**11,076,213**	10,813,030
Liabilities		
Current liabilities	**3,147,070**	3,638,960
Non-current liabilities	**5,669,547**	4,852,883
Total liabilities	**8,816,617**	8,491,843
Equity		
Share capital	**3,200,000**	3,200,000
Reserves	**136,472**	207,664
Retained earnings	**13,756**	4,155
Accumulated losses	**(1,090,632)**	(1,090,632)
Total equity	**2,259,596**	2,321,187
Income statement		
Profit for the year	**168,901**	149,413
Other comprehensive income for the year	**(71,192)**	300,418
Total comprehensive income for the year	**97,709**	449,831
Dividends		
Dividends paid to shareholders: $0.05 per share (year ended 31 December 2022: $0.05 per share)	**159,300**	165,400

(c) Disclosures of the Company

The Company has provided performance guarantees on behalf of the Group. No liability was recognised as the fair value of the guarantees is immaterial.

The Company did not have any contractual commitments for the acquisition of property, plant and equipment as at 31 December 2023 nor 31 December 2022.

SECTION E GROUP STRUCTURE

E2 Subsidiaries

(a) Accounting policy

(i) Business combinations

The Group accounts for business combinations using the acquisition method. The Group identifies the acquirer and the acquisition date. As of the acquisition date, the Group recognises the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values. Then, the Group recognises goodwill as of the acquisition date, measured as the excess of the fair value of consideration transferred over the net assets or net liabilities recognised as described.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and other components of equity. Any resulting gain or loss is recognised in the income statement. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities, equity, revenues and expenses and cash flows of the following subsidiaries:

Name of entity	Name of entity
Jemena Electricity Networks (Vic) Ltd	Jemena Malabar Pipeline Pty Ltd
Jemena Gas Networks (NSW) Ltd	Jemena NSGC Pty Ltd
Ovida Pty Ltd	Jemena Colongra Pty Ltd
ZNX Pty Ltd	Jemena Northern Gas Pipeline Pty Ltd
ZNX (2) Pty Ltd	Ovida Infrastructure Pty Ltd
Jemena Eastern Gas Pipeline (1) Pty Ltd	Jemena Darling Downs Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd	Jemena Darling Downs Pipeline (2) Pty Ltd
Jemena Eastern Gas Pipeline Holdings Pty Ltd	Jemena Darling Downs Pipeline (3) Pty Ltd
Jemena Queensland Gas Pipeline (2) Pty Ltd	CLM Infrastructure Pty Ltd
Jemena Queensland Gas Pipeline (1) Pty Ltd	Jemena Contracting Services (West) Pty Ltd
Jemena VicHub Pipeline Pty Ltd	Zinfra Contracting Pty Ltd
Jemena Eastern Gas Pipeline (3) Pty Ltd	Jemena EH Pty Ltd
Jemena Gas Transmission Pty Ltd	Zinfra Pty Ltd
Jemena Networks (ACT) Pty Ltd	Jemena Management Holdings Pty Ltd
Jemena Group Holdings Pty Ltd	Jemena Management Services Pty Ltd
Jemena Holdings Pty Ltd	Jemena Gas Trust
Jemena Limited	QGP Unit Trust
Jemena Gas Pipelines Holdings Pty Ltd	Jemena Roma North Pipeline Pty Ltd
Jemena Asset Management Pty Ltd	
Jemena Asset Management (5) Pty Ltd	

All subsidiaries are incorporated in Australia and 100% of their share capital / units issued was owned by the Group during the current year and prior year.

SECTION E GROUP STRUCTURE

E3 Deed of Cross-Guarantee

Pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785* the wholly-owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports, and Directors' reports.

It is a condition of the Instrument that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee ("ASIC Deed"). The effect of the Deed is that in an insolvency scenario each party to the deed will guarantee payment to creditors of the proven debts of an insolvent entity that is party to the ASIC Deed.

In the year ended 31 December 2019, the Company entered into two ASIC Deeds, being with Jemena subsidiaries ("Jemena closed group") and Zinfra subsidiaries ("Zinfra closed group") as specified below:

The subsidiaries subject to the Jemena closed group Deed are:

Jemena Limited
Jemena Asset Management Pty Ltd
Jemena Management Holdings Pty Ltd
Jemena Management Services Pty Ltd
Jemena Electricity Networks (Vic) Ltd
Jemena Gas Networks (NSW) Ltd
Jemena Gas Pipelines Holdings Pty Ltd
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Jemena Eastern Gas Pipeline (3) Pty Ltd
Jemena Networks (ACT) Pty Ltd
Jemena Eastern Gas Pipeline Holdings Pty Ltd
Jemena Roma North Pipeline Pty Ltd
Jemena Gas Transmission Pty Ltd
Jemena VicHub Pipeline Pty Ltd
Jemena Queensland Gas Pipeline (1) Pty Ltd
Jemena Queensland Gas Pipeline (2) Pty Ltd
Jemena Malabar Pipeline Pty Ltd
Jemena Colongra Pty Ltd
Jemena EH Pty Ltd
Jemena Holdings Pty Ltd
Jemena Group Holdings Pty Ltd
Jemena Northern Gas Pipeline Pty Ltd
Jemena Darling Downs Pipeline (1) Pty Ltd
Jemena Darling Downs Pipeline (2) Pty Ltd
Jemena Darling Downs Pipeline (3) Pty Ltd

The subsidiaries subject to the Zinfra closed group Deed are:

Zinfra Pty Ltd
ZNX (2) Pty Ltd
Zinfra Contracting Pty Ltd
ZNX Pty Ltd

There have been no changes to either the Jemena closed group or the Zinfra closed group during the year ended 31 December 2023.

SECTION E GROUP STRUCTURE

A consolidated income statement, comprehensive income and balance sheet, comprising the Company and controlled entities which are a party to the ASIC Deeds, after eliminating all transactions between parties to the ASIC Deeds for the year ended 31 December 2023 is set out as follows:

Income statement for the year ended 31 December 2023

	2023		2022	
	Jemena closed group* $'000	**Zinfra closed group* $'000**	Jemena closed group* $'000	Zinfra closed group* $'000
Revenue and other income	**1,412,287**	**1,317,209**	1,403,885	1,181,485
Share of net profits of associate and joint venture	**134,311**	**46,322**	189,133	41,408
Employee benefits expense	**(212,585)**	**(383,391)**	(206,763)	(324,652)
Depreciation and amortisation expense	**(306,655)**	**(19,466)**	(299,352)	(19,655)
Materials and services expense	**(431,558)**	**(538,465)**	(392,552)	(477,694)
Operating profit	**595,800**	**422,209**	694,351	400,892
Finance income	**8,477**	**43,178**	6,548	38,428
Finance costs	**(253,868)**	**(257,513)**	(278,922)	(281,328)
Net finance costs	**(245,391)**	**(214,335)**	(272,374)	(242,900)
Profit before income tax	**350,409**	**207,874**	421,977	157,992
Income tax (expense)/benefit	**(126,851)**	**6,331**	(125,187)	39,568
Profit for the year	**223,558**	**214,205**	296,790	197,560
Other comprehensive (loss)/income for the year (**)	**(79,978)**	**(79,890)**	332,273	331,735
Total comprehensive income for the year	**143,580**	**134,315**	629,063	529,295

During the year, the Company paid dividends of $159.3 million to the shareholders (2022: $165.4 million).

* The closed group comprises SGSPAA and certain Jemena (for Jemena closed group) or Zinfra (for Zinfra closed group) subsidiaries as listed above.

** Other comprehensive income comprises defined benefit superannuation plan actuarial gain/(loss), movement in hedging reserve and share of other comprehensive income from the associate.

SECTION E GROUP STRUCTURE

Balance sheet as at 31 December 2023

	2023		2022	
	Jemena closed group* $'000	**Zinfra closed group* $'000**	Jemena closed group* $'000	Zinfra closed group* $'000
Current assets				
Cash at bank and in hand	**5,739**	**24,859**	16,368	30,560
Receivables	**184,851**	**3,646,555**	157,193	3,387,467
Inventories	**14,681**	**62,136**	10,938	54,547
Derivative financial instruments	**1,327**	**1,253**	248,897	248,897
Prepayments and deposits	**30,784**	**3,386**	17,966	2,361
Total current assets	**237,382**	**3,738,189**	451,362	3,723,832
Non-current assets				
Property, plant and equipment	**8,292,188**	**18,669**	8,068,164	15,517
Intangible assets	**1,693,457**	**41,293**	1,710,128	44,672
Investment in subsidiaries	**-**	**4,715,299**	-	4,715,299
Investments in associate and joint venture	**1,565,821**	**296,511**	1,505,944	283,816
Right of use assets	**27,541**	**24,472**	33,533	14,346
Lease receivable	**83,896**	**-**	88,654	-
Derivative financial instruments	**339,304**	**339,304**	384,694	384,694
Defined benefit superannuation plans	**15,152**	**34,508**	14,538	35,931
Total non-current assets	**12,017,359**	**5,470,056**	11,805,655	5,494,275
TOTAL ASSETS	**12,254,741**	**9,208,245**	12,257,017	9,218,107
Current liabilities				
Payables	**280,097**	**105,161**	323,227	130,022
Provisions	**99,077**	**91,427**	98,802	91,063
Interest bearing liabilities	**249,522**	**249,522**	1,075,434	1,075,434
Income tax payable	**117,555**	**117,555**	53,177	54,271
Contract liabilities	**107,909**	**19,696**	101,648	12,679
Derivative financial instruments	**106**	**36**	1,703	1,627
Lease liabilities	**15,473**	**7,700**	14,449	6,979
Total current liabilities	**869,739**	**591,097**	1,668,440	1,372,075
Non-current liabilities				
Interest bearing liabilities	**5,986,795**	**5,986,795**	5,155,531	5,155,531
Provisions	**111,678**	**9,265**	124,257	10,479
Deferred tax	**1,127,193**	**37,568**	1,107,114	66,542
Lease liabilities	**60,826**	**17,497**	71,527	7,813
Contract liabilities	**4,594**	**-**	6,221	-
Derivative financial instruments	**74,755**	**74,752**	89,362	89,350
Total non-current liabilities	**7,365,841**	**6,125,877**	6,554,012	5,329,715
TOTAL LIABILITIES	**8,235,580**	**6,716,974**	8,222,452	6,701,790
Net assets	**4,019,161**	**2,491,271**	4,034,565	2,516,317
Share capital	**3,200,000**	**3,200,000**	3,200,000	3,200,000
Reserves	**(6,807)**	**249,765**	72,639	329,272
Retained earnings	**825,968**	**(958,494)**	761,926	(1,012,955)
TOTAL EQUITY	**4,019,161**	**2,491,271**	4,034,565	2,516,317

* The closed group comprises SGSPAA and certain Jemena (for Jemena closed group) or Zinfra (for Zinfra closed group) subsidiaries as listed above.

SECTION E GROUP STRUCTURE

E4 Related party transactions

(a) Related entities

Following are the Group's related entities which are identified in accordance with AASBs:

- The Group, via Zinfra, engages in related party transactions with its associate, UEDH, for construction and maintenance of its electricity network in Victoria.
- The Group engages in related party transactions with its joint venture, ADP, to develop, construct, operate and maintain the electricity network and the gas networks in ACT, Queanbeyan and Nowra.
- The Group, via Zinfra, provided construction services to ElectraNet in relation to electricity transmission in South Australia. ElectraNet is a related entity via one of the Company's shareholders.

Services between related parties are provided on mutually agreed terms.

(b) Subsidiaries

Interests in subsidiaries are set out in note E2(b).

(c) Key management personnel

Key management personnel compensation paid (including salaries, superannuation and bonuses) is set out below. The key management personnel of the Group comprise the directors and those executives that report directly to the Managing Director.

	2023 $	2022 $
Short-term employee benefits	**13,911,506**	9,955,142
Long-term employee benefits	**915,882**	1,417,504
Post-employment benefits	**275,775**	258,123
Total	**15,103,163**	11,630,769

(d) Transactions with related parties

The following transactions occurred with related parties:

	2023 $'000	2022 $'000
Sales of goods and services		
Associate	**182,106**	137,628
Joint venture	**28,597**	26,107
Other income		
Associate - interest on redeemable preference shares	**18,487**	25,746
Associate – directors' fees	**30**	30
Joint venture – directors' fees	**269**	262
Purchase of goods		
Administration expenses to shareholders	**7**	7

SECTION E GROUP STRUCTURE

	2023 $'000	2022 $'000
Finance costs		
Shareholders	**40,663**	82,000
Dividend payments		
Dividend payments to:		
Shareholders	**159,300**	165,400

(e) Outstanding balances with related parties

The following related party balances are outstanding at balance date:

	2023 $'000	2022 $'000
Current receivables		
Associate	**44,659**	24,194
Joint venture	**7,090**	4,969
Current payables		
Shareholders	**-**	41,337
Non-current payables		
Shareholders *	**800,000**	800,000

* The balance pertains to the A$800 million of CI entered into in 2015 with SGIDAIC and SPI. Refer to Note F3 for further information regarding the conversion of this CI subsequent to balance date.

SECTION F OTHER DISCLOSURES

F1 Fair value measurement

(a) Accounting policy

The Group defines a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:
- Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

F2 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company and its subsidiaries.

(a) Audit services

	2023 $	2022 $
Statutory audit	**550,000**	550,000
Regulatory audits	**681,000**	698,500
Total remuneration for audit services	**1,231,000**	1,248,500

(b) Other services

	2023 $	2022 $
Taxation services	**48,585**	22,225
Other assurance services	**138,500**	129,500
Regulatory advisory services	**121,581**	208,269
Total remuneration for other services	**308,666**	359,994

The Group employs KPMG to perform both the statutory audit and the audit of regulatory returns as these returns represent an extension of the information obtained from the statutory audit. Using the same firm for both audits contributes to the efficiency of the audit process.

F3 Events occurring after balance date

On 29 February 2024, the Company has agreed the terms of a capital restructure in relation to the A$800 million of CI entered into in 2015 with SGIDAIC and SPI.

As part of the capital restructure, on or around 20 June 2024, the A$800 million face value of the CI will be converted by SGIDAIC and SPI into fully paid ordinary shares in SGSPAA in proportion to their existing shareholding in the Company. This simplifies SGSPAA's capital structure going forward, which will comprise a total of A$4 billion of ordinary shares after the restructure, in addition to external funding arrangements.

No other matters or circumstances have arisen since balance date that significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future years.

Directors' declaration

For the year ended 31 December 2023

SGSP (Australia) Assets Pty Ltd
ABN 60 126 327 624

In the directors' opinion:

1. the consolidated financial statements and notes set out on pages 4 to 64 are in accordance with the *Corporations Act 2001*, including:

   (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the year ended on that date; and

   (b) complying with Australian Accounting Standards, *the Corporations Regulations 2001* and other mandatory professional reporting requirements.

2. there are reasonable grounds to believe that the Company:

   (a) will be able to pay its debts as and when they become due and payable; and

   (b) together with the group subsidiaries identified in Note E3, as parties to the Deeds of Cross Guarantee ("ASIC Deeds"), will be able to meet any liabilities to which they are, or may become, liable pursuant to the ASIC Deeds.

3. the directors draw attention to Note A1 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the board of directors.

Director: ……

Director: ……

Date: 15 March 2024

Independent Auditor's Report

To the shareholders of SGSP (Australia) Assets Pty Ltd

Opinion

We have audited the ***Financial Report*** of SGSP (Australia) Assets Pty Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 31 December 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated balance sheet as at 31 December 2023
- Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated cash flow statement for the year then ended
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Recoverability of non-current assets, including property, plant and equipment and intangible assets
- Recognition of revenue

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of non-current assets, including property, plant and equipment ($8,161.3m) and intangible assets ($1,734.8m)	
Refer to Note C5 Impairment Testing	
The key audit matter	**How the matter was addressed in our audit**
Recoverability of non-current assets is a key audit matter due to the: • size of non-current assets (being 96% of total assets); • complex nature of the regulatory framework for determining future revenue and expenditures applicable to the Group's regulated cash generating units (CGUs). This impacts the Group's ability to forecast cash flows for regulated CGUs. This increases the risk of inaccurate forecasts and a wider range of outcomes for us to consider; • Group using complex models to perform its impairment testing. The models use some inputs that are not based on observable market data, deemed level three within the Fair Value Hierarchy as is common for estimates of this nature. This drives additional audit effort associated with gathering evidence in relation to forward looking assumptions applied in the Group's discounted cash flow models for each CGU. Key assumptions in the cash flow models include terminal values, expected capital expenditure, growth rates and discount rates; • sensitivity of certain CGUs to changes in key assumptions; • discount rates being complicated in nature and varying according to the conditions and environment the	Working with our valuation specialists where relevant, our procedures included: • considering the appropriateness of the fair value less costs of disposal method applied by the Group to perform the test of non-current assets for impairment against the requirements of the accounting standards; • evaluating key controls over the cash flow models, including review and approval of key assumptions and business unit budgets which form the basis of the cash flow forecasts; • considering the sensitivity of the models by varying key assumptions such as growth rates, terminal values and discount rates to identify those CGUs at higher risk of impairment and to focus our further procedures; • assessing the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the models; • assessing cash flow model integrity, including the accuracy of the underlying calculation formulas; • using our industry knowledge and publicly available data, such as regulator information and industry outlooks, assessing the impact of relevant regulatory, technology and other market developments on the Group's discounted cash flow model assumptions; • comparing forecast cash flows contained in the discounted cash flow models to Board approved forecasts; • comparing key capital projects to the Board approved plan and strategy;

specific CGU is subject to from time to time; and • uncertainty in energy policies and new developments in the Group's industry that are expected to impact the recoverability of the assets, increasing our focus in this area. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	• comparing a sample of cash flows to customer contracts and historical performance, taking into consideration expected changes in the Group and the environment in which it operates; • checking the consistency of the growth rates to the Group's stated plan and strategy, past performance of the Group, and our experience regarding the feasibility of these in the industry/regulatory environment in which it operates; • assessing longer term growth assumptions against regulatory information and industry outlooks; • assessing terminal value multiples by considering against publicly available data of a group of comparable entities; • independently developing a discount rate range for each CGU using publicly available market data for comparable entities to the CGU to assess the Group's discount rates; • comparing implied multiples from comparable market transactions to the implied multiple from the Group's discounted cash flow models and CGU carrying values; • assessing disclosures in the financial report against the requirements of accounting standards.

Recognition of revenue ($1,891.2m)	
Refer to Note B2 Revenue and other information	
The key audit matter	**How the matter was addressed in our audit**
Revenue recognition is a key audit matter due to the: • regulatory framework and billing process for the distribution of electricity and gas, in particular the: - inherent complexity in the Group's customer billings processes and systems to estimate energy consumed; and, - judgement required to audit the Group's revenue accrual which estimates the unbilled period between the customer's last bill and reporting date. This estimate includes assumptions and data as to consumption patterns and tariffs. • judgement required to audit the Group's estimate of revenue relating to infrastructure services. This estimate includes forward looking assumptions for forecast revenue and costs to complete, stage of project activities and recoverability of unapproved variations and claims.	Our procedures included: • evaluating the appropriateness of the Group's accounting policies for revenue recognition against accounting standard requirements; • working with our Information Technology specialists to test key controls in the revenue process, including interfaces between systems and those relating to recording and billing revenue over accounting periods; • comparing a sample of system tariffs from the Group's billing system to regulatory determinations; • comparing revenue recognised by the Group to our expectation considering historical performance, regulatory determinations, and energy consumption data and forecasts for the industry; • developing an expectation of the expected unbilled energy distribution revenue at year end using historical customer consumption and published prices, and comparing this to the reported accrued revenue; • comparing a sample of accrued revenue balances to actual customer billings subsequent to the year-end, considering the portion of the billing period before year-end; • comparing inputs for a sample of infrastructure services revenue to underlying documentation including customer contracts, variations and claims documentation; • on a sample basis, assessing the Group's assumptions relating to the recoverability of infrastructure services revenue by comparing forecast revenue and cost assumptions used by the Group to estimate revenue relating to infrastructure services against source documents including approved project budgets and customer contracts. We also compared them to actual costs incurred to date and the actual stage of project activities; • assessing disclosures in the financial report against the requirements of accounting standards.

Other Information

Other Information is financial and non-financial information in SGSP (Australia) Assets Pty Ltd's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001.*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

KPMG

Gordon Sangster
Partner
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15 March 2024

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