SGSP (Australia) Assets Pty Ltd
Tax Transparency Report
Year Ended 31 December 2024 (CY24)

Background

SGSP (Australia) Assets Pty Ltd (**SGSPAA**) is 60% owned by State Grid Corporation of China and 40% owned by Singapore Power.

SGSPAA is the parent entity of a group of entities collectively known as the SGSPAA Group.

The SGSPAA Group owns or 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 customer to access and integrate renewable energy, primarily through long-term agreements where Ovida owns, installs and maintains rooftop solar panels.

Approach to Tax Strategy and Governance

SGSPAA is committed to meeting its Federal and State tax compliance obligations, including payment of all taxes by relevant due dates.

The SGSPAA Group has implemented a robust Tax Corporate Governance (**TCG**) framework which aligns with the Australian Taxation Office's (**ATO**) Tax Risk Management and Governance Guide. The TCG framework includes strong Board and Management level controls which are tested periodically.

SGSPAA's Board has also approved a Tax Risk Management Framework (**TRM Framework**), which is used to categorise tax risks and mandate the steps SGSPAA required to manage such tax risks. This includes obtaining external professional advice and / or ATO consultation and acknowledgement as appropriate. SGSPAA seeks to adopt tax positions that are of low risk. Where there is uncertainty in application of the tax law, SGSPAA only adopts tax positions that are at least "reasonably arguable".

SGSPAA has an experienced in-house Tax Team that formally reports to the Audit and Compliance Committee (**ACC**) on a quarterly basis. The Tax Team also provides specific updates on significant tax legislative changes / developments to the Board and ACC where appropriate. For materially important transactions (e.g. mergers and acquisitions, distributions to shareholders and capital restructures), the Board is advised of key tax implications and risks prior to providing its approval, in line with SGSPAA's TRM Framework. Additional oversight is provided by SGSPAA's external and internal auditors.

Engagement with Revenue Authorities

SGSPAA endeavours to engage with the ATO and all other revenue authorities in a timely, cooperative and transparent manner.

On 29 February 2024, SGSPAA agreed the terms of a capital restructure in relation to the $800 million of convertible instruments entered into in 2015 (**Convertible Instruments**) with its shareholders.

As part of the capital restructure, on 20 June 2024, the A$800 million face value of the Convertible Instruments was converted by its shareholders into fully paid ordinary shares in SGSPAA in proportion to their existing shareholdings. This simplifies SGSPAA's capital structure going forward, which comprises a total of A$4 billion of ordinary shares after the restructure, in addition to external funding arrangements. As a result, there will be no future interest payments and deductions associated with the Convertible Instruments.

The capital restructure brought an end to the Convertible Instruments in accordance with agreed arrangements with the ATO following its audit of the Convertible Instruments. SGSPAA paid $50.8 million to the ATO on 5 April 2024 as part of the arrangements for past years, which provides closure on all tax related matters relating to the Convertible Instruments.

Information about International Related Party Dealings

SGSPAA only has business activities and investments in Australia.

Whilst SGSPAA's shareholders are overseas and involved in the energy industry, SGSPAA is held as an investment by those shareholders and SGSPAA's business is not integrated with those of its shareholders. Accordingly, SGSPAA's international related party dealings are limited to payments of fully franked dividends to shareholders.

Other than payments of fully franked dividends to shareholders, SGSPAA did not have any international related party dealings during the year ended 31 December 2024. For completeness, SGSPAA ceased paying Convertible Instruments interest to shareholders during the year ended 31 December 2023 and there is no further interest payable on the Convertible Instruments going forward given the capital restructure.

Reconciliation of Accounting Profit to Tax Expense and Tax Expense to Income Tax Paid

	$'M
Accounting Profit Before Tax	**463.8**
Prima facie income tax expense (30%)	(139.1)
Net franking credit offset from franked dividends received	4.7
Non-assessable income	1.1
Prior year under / over	0.1
Income Tax Expense	**(133.2)**
Temporary Differences	
Reverse accounting depreciation	(120.3)
Deduct tax depreciation	131.4
Net (increase) / decrease in provisions	(1.5)
Treatment of leases under AASB 16	6.7
Other	18.5
Tax on Taxable Income	**(98.4)**
Franking credits offset	6.7
Income Tax Paid	**(91.7)**
Effective Tax Rate[1]	**28.7%**

Summary of Taxes Paid

The tables below provide a summary of various Federal and State taxes that the SGSPAA Group has directly and indirectly contributed to the Australian community and economy in relation to the year ended 31 December 2024 (unless otherwise stated).

[1] As indicated above, SGSPAA's business is solely domestic and SGSPAA does not have any overseas presence. Accordingly, its Australian and global effective tax rate is the same.

Taxes Borne by SGSPAA	**$'M**
Income tax	91.7
Payroll taxes (for the year ended 30 June 2025)	42.5
Fringe benefits tax (for the year ended 31 March 2025)	1.4
Land tax	3.2
Total	**138.8**

Taxes Borne by Others	**$'M**
Goods and services tax	129.0
Total	**129.0**

Grand Total	**267.8**

In addition, there is material income tax (PAYG withholding) applicable to the salary and wages earned by SGSPAA's employees. The SGSPAA Group has around 3,400 employees.