

# WAYHO



## ANNUAL REPORT | 2025



**STEAMSHIPS**  
TRADING COMPANY LIMITED

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# BRIEF PROFILE OF STEAMSHIPS GROUP

With over 105 years of operations in Papua New Guinea, Steamships Trading Company Limited (Steamships) is a committed investor in Papua New Guinea. The Group is a well-established business conglomerate with diverse commercial interests and listings on both the Australian Stock Exchange and PNG's National Stock Exchange.

Steamships has a vision to build a valuable and profitable business that is widely respected as being the best group to work for and with which to do business.

Integral to this vision are the following business strategies:

- The long-term development of a diversified range of businesses in which shareholder value can be created,
  - Employment of staff who we believe will further our strategic objectives and will be committed to the Group for the long term and providing them with rewarding careers,
  - Operational excellence in the way we conduct our business,
  - Doing business in a sustainable manner, and
  - Commitment to the highest standards of corporate governance.
- Customer Focus – Our customers are the final judges of our success or failure. We understand and respond to the needs of our customers.
  - People Development – We value a working environment that fosters innovation and encourages personal development and learning.
  - Humility – We believe in the need to respect and to learn from others. To do this we must be aware of our own limitations and to seek to understand other perspectives.
  - Continuity – We take a long-term view. We grow our business sustainably and create enduring value that earns the respect of our customers, our staff, our communities and our shareholders.

The Group employs over 3,542 PNG citizens and non-citizens in diverse divisions grouped under the operating categories of Logistics, Property and Hospitality and Commercial and Investments. Steamships core values include the following:

- Safety – We prioritise safety awareness and compliance to ensure our business operations are conducted safely.
- Integrity – Taking the more ethical and honest path; honouring our commitments and delivering on our promises; creating a bond of trust that sustains relationships with our staff, customers, shareholders, business partners and the communities in which we do business.
- Excellence – Our customers and colleagues expect us to deliver high quality goods and services. If something is to be done, we believe it should be done in the best possible way.

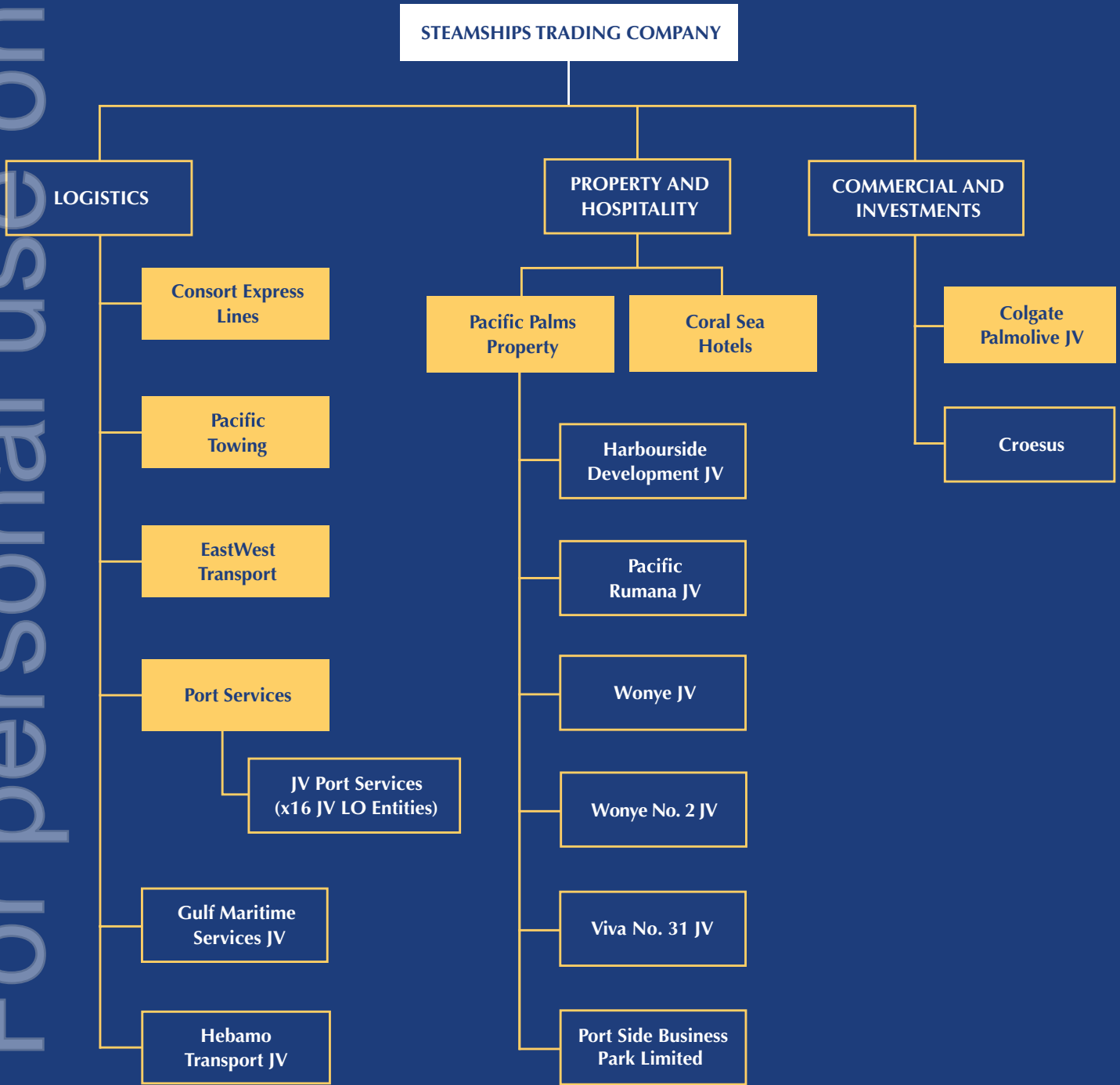
Steamships is aware of its prominent position in the community and its responsibility to serve that community. The Group continues to be one of PNG's largest private sector employers and one of the largest supporters of community initiatives in education, health and social welfare. Steamships ensures that core sustainability concepts are embedded in its business models and systems. The Group is wholly aware that its business goals cannot be achieved unless this is the case. Steamships cannot succeed without the engagement and support of the people it employs, the loyalty and satisfaction of its customers, the local communities and the environment in which it operates.

Over a century after it was founded, Steamships is still showing it has the resources and capacity, vision and capability to meet the dynamic needs of a growing country.

# BRIEF PROFILE OF STEAMSHIPS GROUP

## STEAMSHIPS' ORGANISATIONAL STRUCTURE

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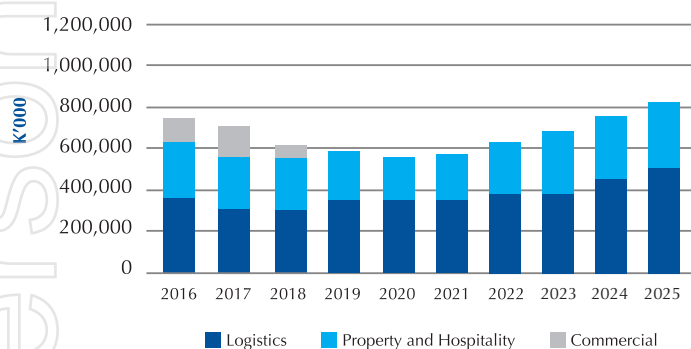


# FINANCIAL HIGHLIGHTS

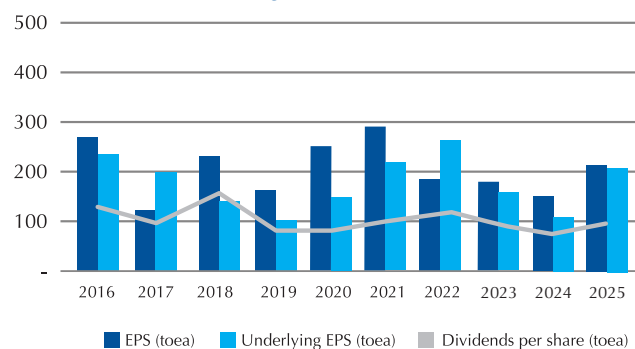
## 2025 FINANCIAL HIGHLIGHTS

	2025 K'000	2024 K'000	Change %
Revenue and other income from continuing operations	821,065	747,023	10%
Profit attributable to shareholders	67,060	45,838	46%
Cash generated from operations	125,896	156,579	-20%
Net cash (outflow) / inflow before financing	(79,907)	34,354	-333%
Shareholders' funds	1,112,779	1,067,425	4%
External borrowings	533,833	418,875	27%
Earnings per share (toea)	216.3	147.8	46%
Dividends per share (toea)	105	70	50%
Shareholders' funds per share	35.89	34.42	4%
Underlying profit attributable to shareholders	65,301	31,900	105%
Underlying earnings per share	211	103	105%
Gearing ratio	30.4%	26.5%	15%
Interest cover	12.5	12.3	2%
Dividend cover	3.1	1.5	107%

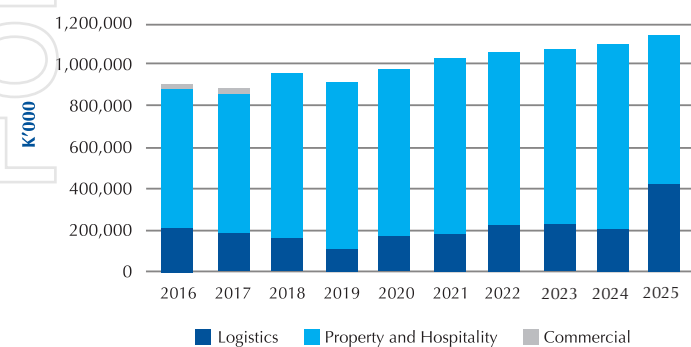
### Turnover K'000



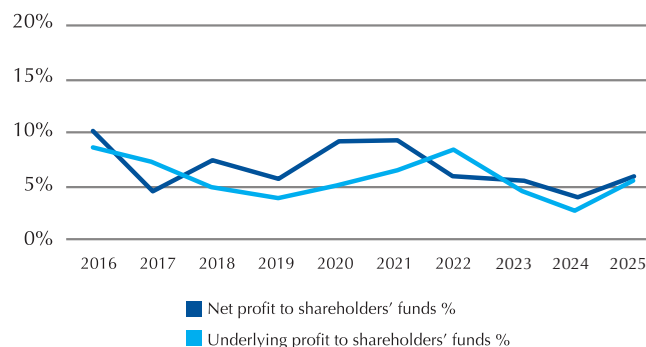
### Earnings and Dividends Toea



### Net Assets Employed K'000



### Return to Shareholders



# FINANCIAL HIGHLIGHTS

## SUMMARY OF PAST PERFORMANCE

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000
<b>STATEMENTS OF COMPREHENSIVE INCOME (including discontinued operations)</b>										
Revenue	732,701	705,687	648,106	585,168	540,406	563,929	631,262	669,296	747,023	821,065
Profit before tax	118,686	62,686	112,493	61,284	63,813	88,248	79,786	77,103	63,280	94,434
Share of associates profit	5,865	7,525	5,628	5,010	4,026	5,062	6,288	7,286	6,141	8,011
Income tax expense	(35,677)	(32,621)	(54,420)	(18,928)	11,198	(1,694)	(26,633)	(25,722)	(22,429)	(32,353)
Minority interests	(4,664)	3,926	5,828	2,629	(182)	(1,066)	(1,456)	(523)	(1,154)	(3,032)
<b>Net profit attributable to shareholders</b>	<b>84,210</b>	<b>41,516</b>	<b>69,529</b>	<b>49,995</b>	<b>78,855</b>	<b>90,550</b>	<b>57,985</b>	<b>58,144</b>	<b>45,838</b>	<b>67,060</b>
Equity adjustment	-	-	-	-	-	2,950	-	-	-	-
Dividends paid or provided for the year	(40,291)	(32,559)	(26,357)	(44,962)	(17,055)	(35,659)	(35,659)	(32,559)	(31,008)	(21,706)
<b>Earnings retained this year</b>	<b>43,919</b>	<b>8,957</b>	<b>43,172</b>	<b>5,033</b>	<b>61,800</b>	<b>57,841</b>	<b>22,326</b>	<b>25,585</b>	<b>14,830</b>	<b>45,354</b>

## Underlying profit attributable to shareholders

(adjusted for significant items)	71,721	61,775	43,304	31,505	36,927	67,681	76,075	50,240	31,900	65,301
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## STATEMENTS OF FINANCIAL POSITION

### SHARE CAPITAL & RESERVES

Issued capital	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200
Retained earnings	808,806	817,764	896,105	860,843	922,643	980,484	1,002,810	1,028,395	1,043,225	1,088,579
<b>Shareholders' funds</b>	<b>833,006</b>	<b>841,964</b>	<b>920,305</b>	<b>885,043</b>	<b>946,843</b>	<b>1,004,684</b>	<b>1,027,010</b>	<b>1,052,595</b>	<b>1,067,425</b>	<b>1,112,779</b>
Non-controlling interests	48,831	36,190	19,723	17,747	16,983	16,245	17,059	17,028	17,498	20,530
<b>EQUITY</b>	<b>881,837</b>	<b>878,154</b>	<b>940,028</b>	<b>902,790</b>	<b>963,826</b>	<b>1,020,929</b>	<b>1,044,069</b>	<b>1,069,623</b>	<b>1,084,923</b>	<b>1,133,309</b>

Fixed assets / investment properties	1,068,892	997,125	890,576	970,928	945,075	933,983	947,451	1,073,933	1,241,427	1,289,560
Investments in associated companies	66,445	67,196	65,276	41,586	36,992	39,367	45,458	45,495	51,562	75,585
Future income tax benefit	36,680	30,250	1,683	2,311	1,010	2,571	2,020	4,627	4,880	8,065
Goodwill	80,491	80,002	76,433	76,433	76,433	76,433	76,433	76,433	76,433	76,433
Other assets	284,200	294,800	470,810	360,385	428,703	464,635	444,331	501,242	406,290	468,358
<b>TOTAL ASSETS</b>	<b>1,536,708</b>	<b>1,469,373</b>	<b>1,504,778</b>	<b>1,451,643</b>	<b>1,488,213</b>	<b>1,516,989</b>	<b>1,515,693</b>	<b>1,701,730</b>	<b>1,780,592</b>	<b>1,918,001</b>

Current liabilities	184,646	221,560	352,541	148,286	229,779	198,688	359,424	152,295	221,502	283,465
Non-current liabilities	470,225	369,659	212,209	400,567	294,608	297,372	112,200	479,812	474,167	501,227
<b>TOTAL LIABILITIES</b>	<b>654,871</b>	<b>591,219</b>	<b>564,750</b>	<b>548,853</b>	<b>524,387</b>	<b>496,060</b>	<b>471,624</b>	<b>632,107</b>	<b>695,669</b>	<b>784,692</b>

<b>NET ASSETS</b>	<b>881,837</b>	<b>878,154</b>	<b>940,028</b>	<b>902,790</b>	<b>963,826</b>	<b>1,020,929</b>	<b>1,044,069</b>	<b>1,069,623</b>	<b>1,084,923</b>	<b>1,133,309</b>
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## RATIOS

Current assets to current liabilities	1.16	1.00	1.15	1.83	1.40	1.43	0.68	3.29	1.83	1.65
Borrowings to shareholders funds	57.0%	50.2%	39.7%	35.4%	32.1%	26.1%	25.2%	39.3%	38.6%	47.1%
Gearing	34.6%	33.1%	28.2%	19.5%	13.7%	16.5%	16.7%	26.8%	26.5%	30.4%
Tangible net asset backing per share (Kina)	25.84	25.74	27.85	26.65	28.62	30.46	31.21	32.03	32.52	34.08
Net profit to revenue %	11.5%	5.9%	11.1%	8.5%	14.6%	16.1%	9.2%	8.7%	6.1%	8.2%
Net profit to shareholders' funds %	10.1%	4.9%	7.6%	5.6%	8.3%	9.0%	5.6%	5.5%	4.3%	6.0%
Underlying profit to shareholders' funds %	8.6%	7.3%	4.7%	3.6%	3.9%	6.7%	7.4%	4.8%	3.0%	5.9%
Dividends per share (toea)	130	110	165	80	80	100	120	95	70	105
EPS (toea)	272	134	224	161	254	292	187	187.5	147.8	216.3
Underlying EPS (toea)	231	199	140	102	119	218	245	162	103	211
Earnings retained %	52.2%	21.6%	62.1%	10.1%	78.4%	63.9%	38.5%	44.0%	32.4%	67.6%

## Notes

Earnings per share = profit attributable to shareholders / average shares in issue

Gearing = debt / debt plus equity

Interest cover = earnings before interest and tax / net finance charge

Dividend cover = profit attributable to shareholders / total dividend paid and provided

# CHAIRMAN'S REPORT

Steamships delivered a robust financial performance in 2025, despite a challenging operational environment and the absence of any significant progress with new mining or resource projects. Investments in human capital, new and replacement assets and upgrade of systems across the business over the past three years has contributed to improved performance and better efficiencies. The Company remains committed to a disciplined approach to its capital deployment and to building strong partnerships to support sustainable long-term growth. Geoff Cundle, Chairman.



With the exception of elevated commodity prices, underlying economic conditions in 2025 were broadly consistent with the prior year. While foreign exchange availability improved, the absence of any new major resource projects meant demand growth was moderate across most sectors of the economy.

Against this backdrop, the Group delivered a solid financial performance. Revenue increased by 11.3%, supported primarily by stronger contributions from the Logistics and Property divisions.

Profit attributable to shareholders increased by 46.3% to K67.1 million and underlying profit (before exceptional items) increased by 104.7% to K65.3 million.

The Property division recorded steady performance, supported by consistent demand across its portfolio. The division continues to invest in capability and systems to support its development pipeline.

The Hospitality division delivered results in line with expectations. The division commenced a multi-year capital investment programme to renovate assets across the portfolio. This programme is expected to continue through 2026 and 2027 and is intended to improve customer



# CHAIRMAN'S REPORT



satisfaction, expand its Food and Beverage offering and position the business for future growth.

The Logistics division delivered a robust result driven by increased volumes. Elevated commodity prices supported export activity and positively influenced coastal shipping demand. Continued focus on fleet reliability, operational capability and technology investment contributed to higher revenue and improved margins.

Safety remains the Group's highest priority. It is with deep regret that I report a fatal incident involving one of our colleagues in the final quarter of the year. The Board and management remain steadfast in their commitment to the pursuit of zero harm and to strengthening the Group's safety culture.

The Group is assessing potential opportunities associated with natural resource-related projects; however, capital allocation will remain disciplined and aligned with long-term shareholder value.

Looking ahead, the Group will continue to prioritise balance sheet strength, operational efficiency and prudent capital management in evaluating growth opportunities.

Papua New Guinea is our home and principal place of business, and we remain committed to actively foster its economic and social advancement. The Board of Directors would like to thank all our staff for their commitment and personal dedication during what has been a challenging few years for the entire country.



## DIRECTORS' REVIEW

The Group delivered a strong financial performance for the year ended 31 December 2025, notwithstanding the absence of any material uplift in economic activity associated with resource sector projects during the period.



This year's result reflects the benefits of continued investment in assets, technology and human capital in recent years, which enhanced operational capability and supported improved performance across the Group's core businesses.

Steamships' sales revenue increased by 11.3% to K798.2 million against last year's K717.4 million. Profit before tax includes the following items:

- K25.3 million cash spend related to ongoing upgrade of enterprise resource planning (ERP) system
- K19.7 million net gain on property disposals
- K2.9 million from insurance proceeds (net)

# DIRECTORS' REVIEW



	2025 K000's	2024 K000's	Change
Net Profit attributable to shareholders	67,060	45,838	46.3%
Add / (Less) impact of significant items (post tax and minority interest)			
ERP implementation expensed	14,083	6,591	
Gain on disposal of assets	(13,790)	(8,575)	
Net insurance claim settlement income – property damages	(2,052)	(11,954)	
<b>Total impact of significant items</b>	<b>(1,759)</b>	<b>(13,938)</b>	
Underlying profit attributable to shareholders	65,301	31,900	104.7%

Depreciation in 2025 was K123.9 million against K113.5 million in 2024, and interest expense on net borrowings (excluding capitalised interest) was K6.4 million against K6.1 million in 2024. Capital expenditure for the year was K201.6 million against K231.1 million in 2024.

The Group's net operating cash flow generation decreased by 19.7% to K125.7 million against K156.6 million in 2024. The cash balance at year end is K37.7 million.

A final dividend of 65 toea per share has been proposed and will be paid following approval at the Board of Directors meeting on 26th May 2026, subject to Steamships' ability to secure foreign exchange for non-PNG shareholders. As there was an interim dividend paid during the year of 40

toea per share, the total dividend for the year is K1.05 per share (2024: 70 toea per share). The dividend is unfranked and there is no conduit foreign income.

## Significant items

The Group has committed substantial resources to technology, successfully implementing Microsoft Dynamics across the Logistics and Property divisions, with rollout in the Hospitality division expected to be completed in 2026.

The Group also successfully disposed of selected non-core assets, allowing capital to be reinvested into higher-return opportunities.

# DIRECTORS' REVIEW



The details are as follows:

	<u>K'000</u>
ERP implementation expensed	(20,119)
Gain on disposal of assets	19,700
Net insurance claim settlement income – property damages	2,932
Less tax effects	<u>(4,272)</u>
Total	(1,759)

## Trading Performance

### *Property and Hospitality*

The Coral Sea Hotels division achieved results consistent with forecasts for the reporting period.

During the year, the Group progressed a planned multi-year capital expenditure programme across its Port Moresby hotels, including the Gateway Hotel, Ela Beach Hotel and Grand Papua Hotel. The programme involved significant refurbishment and upgrade works aimed at improving customer experience, enhancing operational efficiency, and supporting the long-term competitiveness of the portfolio.

The Property division delivered operational results in line with expectations for the reporting period.

Progress was made on the key capital projects, including Portside Business Park, Dobel mixed use development in Mount Hagen and Downtown Plaza, during the year and are expected to underpin future growth initiatives.

### *Logistics*

The Logistics division delivered financial performance in line with forecast for the reporting period.

Activity was supported by favourable commodity prices across selected agricultural and mineral exports, which contributed to stable throughput volumes throughout the year. Ongoing investment in asset reliability and workforce capability reinforced operational continuity and efficiency, contributing positively to the division's overall financial results.

### *Commercial and Investments*

Colgate-Palmolive (PNG) Limited, a Papua New Guinea-incorporated joint venture, delivered financial results in line with expectations, achieving year-on-year growth in both revenue and profit despite foreign exchange headwinds.

## Trading Outlook

Steamships views the year ahead with a cautiously positive outlook.

The Group continues to assess potential opportunities in natural resources-related projects; however, capital allocation will remain disciplined.

Focus will remain on maintaining balance sheet strength, driving operational efficiency, and applying prudent capital management in evaluating growth opportunities.

# DIRECTORS' REVIEW



## Compliance with Laws and Regulations

At Steamships we always aim to do the right way and we make safety, compliance and business integrity our top priorities.

For the 2025 financial year, the Directors declare that, to the best of their knowledge, Steamships has not engaged in any activities which materially contravene laws and regulations.

## Outside Interests and Conflicts

Directors confirm that all material interests in contracts involving the company were declared and refrained from voting on matters in which they were materially interested.

## Shareholders Engagement

Steamships is dedicated to ensuring fair and equitable treatment of all shareholders and offers diverse channels of transparent communication for them to access the company's information. Directors affirm that Steamships has made every effort to ensure fair and equitable treatment of all shareholders, implementing procedures that safeguard shareholder rights and eliminate obstacles to the exercise of those rights.

## Going Concern Statement

Based on a robust assessment, the Directors confirm that given the strong cash generation trend of the Group, as well as the level of borrowing facilities available, they have a reasonable expectation that the Group has adequate resources to continue to operate for a period of at least 12 months from the date of approval of financial statements. For this reason, they continue to adopt the going concern basis of preparing the financial statements.

## Internal Controls Effectiveness

The Directors confirm that they have reviewed the effectiveness of internal controls and risk management process and deem them to be appropriate.

## Engagement with Traditional Landowners

Steamships' success heavily relies on building and maintaining close and supportive relationships with communities and organisations that may be impacted by the decisions we take; Steamships actively engages local communities through inter alia collaboration with local schools and universities, as well as inviting cross-sector external partners on projects that bring community benefit and support sustainable development within Papua New Guinea.



# REVIEW OF OPERATIONS - LOGISTICS

## CONSORT EXPRESS LINES

Consort Express Lines (CEL) operates a fleet of 13 coastal vessels, all of which are PNG flagged, and is PNG's only domestic operator that is ISO accredited for safety, environment and quality.

### LINER SERVICES

CEL connects 13 ports around PNG to the main international gateway ports of Lae and Port Moresby. CEL provides a comprehensive domestic network of scheduled full liner services. CEL carries a range of cargoes including containerised, breakbulk, reefer, LCL and project cargo. In addition to owning and operating ships, CEL manages PNG's largest fleet of containers offering customers easy access to a wide range of container types.

### PROJECT CHARTERS

CEL provides short and long-term vessel charters specialising in shallow water river shipping, and supports intermodal logistics solutions linked to land-based services such as road transport, cargo handling, storage, customs clearance, lay down areas and warehousing.

CEL delivered solid growth in financial and operational performance in 2025 compared with the prior year. The division benefited from investments in technology, fleet assets and human capital, which enhanced operational capability, service reliability and overall customer satisfaction.

Looking ahead, CEL's focus on operational excellence and its continued investment in advanced technology platforms and integrated fleet management systems ensures the business is well positioned for sustainable long-term growth.



# REVIEW OF OPERATIONS - LOGISTICS

## PACIFIC TOWING

Pacific Towing is PNG's leader in the provision of a diverse range of marine services including towing, mooring, salvage and commercial diving. Although primarily operating in PNG and the Solomon Islands, Pacific Towing also offers international salvage or deep-sea towing services.

Pacific Towing operates a fleet of 20 vessels (10 tugs and 10 associated support vessels including the divers tender). Pacific Towing is the only marine services and towing company in PNG to be ISO accredited for Quality, Safety and Environment.

Increased activity across both harbour towing and salvage operations contributed to improved operating performance for Pacific Towing compared with the prior year.

The development of local talent and PNG seafarers remain a core priority for the business. The continued investment in workforce capability and the recruitment and progression of cadets, underpins its operation, service quality and long-term capability building.

The division continues to undertake a multi-year fleet renewal strategy designed to progressively replace ageing vessels. This will involve phased capital investment over the coming years and is expected to enhance operational efficiency, reliability and service capacity, positioning the business to support future growth.



# REVIEW OF OPERATIONS - LOGISTICS

## JOINT VENTURE PORT SERVICES

Joint Venture Port Services (JVPS) operate 16 stevedoring and cargo handling businesses throughout PNG.

With a fleet of specialist equipment, the businesses handle all types of containers, project cargo, break-bulk, RO-RO, LO-LO, grains, and cement. The stevedoring companies are joint ventures between Steamships and local landowner groups at the respective ports around the country. Each joint venture employs a local workforce and is structured in a manner so that a significant share of earnings is returned to the communities in which the joint ventures operate. JVPS is the only group of stevedoring and handling companies in PNG to be ISO accredited for Quality, Safety and Environment. The business continues to work hard to provide a seamless logistics solution for customers in PNG.

JVPS delivered a financial performance in line with expectations for the reporting period, demonstrating resilience in a competitive operating environment. Recent investment in technology, fleet assets and human capital has strengthened the division's operational capability and service delivery standards, positioning it to further enhance its product offering while maintaining a disciplined focus on cost competitiveness and operational efficiency.



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# REVIEW OF OPERATIONS - LOGISTICS

## EASTWEST TRANSPORT

East West Transport (EWT) is one of Papua New Guinea's largest trucking companies, providing a range of transport related activities. It is ISO accredited for Environmental Management, Occupational Health & Safety and Quality.

Based in Port Moresby, EWT has operations in Lae, Kimbe, Rabaul, Madang, Wewak, Alotau, and Kavieng. EWT has a sizable fleet of prime movers, heavy and light trucks, forklifts and reach stackers ranging from 2.5 to 80 tons in capacity. All equipment is supported by localised workshop facilities, safety teams, recovery vehicles, and emergency response teams. EWT's activities include bulk fuel, containerised cargo, break-bulk cargo, and depot services such as equipment hire, warehousing and bonded or unbonded yard storage.

EWT delivered an improved financial performance compared with the prior year, reflecting the benefits of targeted operational and commercial initiatives implemented across the division. Competitive conditions remained challenging within the General Transport segment, with ongoing pricing pressure and heightened market competition continuing to influence margins. In contrast, the Fuel segment recorded a notable improvement in performance, supported by stronger demand and improved operating conditions.



# REVIEW OF OPERATIONS - PROPERTY AND HOSPITALITY

## CORAL SEA HOTELS

Coral Sea Hotels (CSH) is the largest hotel group in Papua New Guinea, managing seven hotels throughout the country. CSH comprises of Grand Papua Hotel, Gateway Hotel and Apartments, Ela Beach Hotel and Apartments in Port Moresby, Huon Gulf Hotel in Lae, Highlander Hotel and Apartments in Mount Hagen, Bird of Paradise Hotel in Goroka and Cassowary Hotel in Kiunga.

Hotel Operations in Port Moresby 2025 faced challenging market conditions due to increased room supply. Regional properties delivered solid performance, supported by continued strength in food and beverage operations.

During the year, the division commenced a multi-year capital investment program focused on the refurbishment and repositioning of its hotel portfolio.

These investments are intended to strengthen the Group's market position and support long-term growth through an enhanced product offering, improved guest experience and sustained pricing competitiveness.



# REVIEW OF OPERATIONS - PROPERTY AND HOSPITALITY

## PACIFIC PALMS PROPERTY

With a portfolio of over 200 properties across Residential, Commercial, Retail, and Industrial asset classes in Port Moresby, Lae, Madang, Wewak, Goroka, Mount Hagen, and Rabaul, Pacific Palms Property (PPP) is one of the premier property developers and managers in PNG.

PPP's strategy of investing in projects of scale and quality, in diversified real estate asset classes, in both established and upcoming locations, results in stable revenues, net operating income, and cashflow.

The division maintained its growth trajectory during the year.

Significant progress was achieved on the Dobel Shopping Centre, Mount Hagen's first large-scale mixed-use development, with a partial opening anticipated in the

second half of 2026. Meanwhile, infrastructure construction at Portside Business Park has been completed, and the division plans to make further strategic investments in the asset during 2026 to enhance its long-term value and operational potential.

The division remains committed to investing in key strategic assets across all regions to support sustainable growth and profitability, while actively reassessing its portfolio through targeted asset disposals where appropriate.

PPP continues to prioritise sustainability by incorporating green technology and building standards across its developments. Coupled with its existing portfolio of ready-for-occupancy properties and a substantial landbank of strategically located, securely titled properties, the division is well positioned to capture opportunities arising from growth in demand from regional resource and LNG projects progress over the next few years.



# SUSTAINABILITY

Steamships' commitment to sustainable development is grounded in a clear sense of responsibility, to our people, to the communities in which we operate, and to Papua New Guinea's long-term development. The Board and management remained firmly committed to progressing our Net Zero ambition while recognizing the challenging realities of a diverse conglomerate operating across a complex geographic and logistical environment.

In 2025, we continued to advance this commitment with a clear focus on strengthening the foundations required for sustained progress. While the year did not deliver transformational outcomes across all areas, it was a critical period of consolidation, improving governance, strengthening data integrity, and building the internal capability necessary to deliver credible and consistent results over time.

## Safety, People and Culture

Our people remain central to everything we do. Operating in often high-risk environments, safety underpins our licence to operate and our ability to deliver reliable services. During the year, total exposure hours increased by approximately 10% compared to the prior year, reflecting higher operational activity across the Group. Encouragingly, key safety indicators improved despite this increase in exposure. The Total Recordable Injury Frequency Rate (TRIFR) declined by approximately 13% year-on-year, while the Lost Time Injury Frequency Rate (LTIFR) reduced by approximately 39%, reflecting the continued effectiveness of behaviour-led safety initiatives, stronger frontline leadership and increased employee engagement in Stop Work and near-miss reporting.

Workforce stability also strengthened meaningfully during the year. Employee turnover declined to 21%, representing a five-percentage-point improvement from 2024 and a nine-percentage-point improvement from 2023. Continued investment in learning and development delivered more than 11,600 training hours, equating an average of over 15 hours per employee, supporting leadership capability, technical competence and workforce adaptability across logistics, property and hospitality operations.

## Environment and Climate

Our environmental focus in 2025 was on strengthening data integrity, transparency and governance. This included clarifying organisational and operational boundaries, correcting emissions classifications, particularly within our Properties portfolio, and refining methodologies for energy and water attribution.

As a result of these improvements, reported greenhouse gas emissions shifted across scopes. Scope 3 emissions increased materially as tenant-controlled electricity consumption was



reclassified, while Scope 2 emissions declined by more than 60% following boundary corrections. These movements reflect improved alignment with recognised reporting standards rather than changes in underlying operational efficiency. Scope 1 emissions increased modestly, driven by higher operational activity and improved fuel data completeness.

Total reported water consumption decreased by approximately 38% year-on-year, driven primarily by boundary clarification and improved estimation methodologies rather than absolute reductions in demand. Energy consumption trends similarly reflect increased operational activity. Waste data maturity remains uneven across our geographically dispersed operations and continues to be a priority area for capability and systems improvement.

Governance was further strengthened during the year through the establishment of a Sustainability Steering Committee and the appointment of Sustainability Leads within each division. These arrangements embed accountability for environmental performance across the business and are supporting the development of a practical, commercially grounded Net Zero Strategy and Decarbonisation Roadmap.

# SUSTAINABILITY

## Community and Social Licence

Steamships' relationship with communities remains fundamental to our social licence to operate. During the year, a total of K1.16 million was distributed through the Community Grants Programme, supporting outcomes aligned with national development priorities and locally identified needs. Grant funding was dispersed across the following focus areas:

- Social welfare initiatives received approximately 62% of total grant funding, reflecting sustained support for programmes addressing family and sexual violence, survivor assistance and community protection.
- Environmental conservation and sustainability initiatives accounted for approximately 22%, supporting community-led marine conservation and environmentally sustainable livelihoods.
- Education and learning initiatives represented approximately 13%, contributing to early childhood education, literacy and school infrastructure.
- Sports and youth development programmes accounted for the remaining 4%, supporting mentoring, health and life-skills development.

In addition to grant funding, a further K329,000 was provided through sponsorships, donations and in-kind support, complemented by strong employee participation in community initiatives. Through the Swire Philanthropic

Fund (PNG), higher-education scholarships continued to expand access to tertiary education for students from low- to middle-income households.

## Outlook

Looking ahead, our priorities are clear. We will focus on developing a Group Net Zero Strategy and Decarbonisation Roadmap; establishing stable emissions baselines; identifying priority emissions-reduction opportunities across our logistics, property and hospitality operations; improving waste and water data consistency at high-impact sites; expanding Scope 3 coverage; and continuing to invest in the systems, governance and people required to support credible, long-term performance management.

Sustainable development is not a linear journey, and progress within Papua New Guinea requires discipline, transparency and collaboration. While challenges remain, Steamships is confident that the foundations established during 2025 position the Company to deliver enduring value for stakeholders and to remain a resilient, responsible business that earns and sustains trust over the long term.



# CORPORATE GOVERNANCE

Steamships, its employees and its board are committed to achieving and demonstrating the highest standards of corporate governance and ethical behaviour. The Group believes that the maximisation of long-term returns to shareholders is best achieved by acting in a socially responsible manner that recognises the interests of community stakeholders.



Steamships is committed to:

- Providing high-quality products and services to meet customers' needs;
- Maintaining high standards of business ethics and corporate governance;
- Ensuring the safety and wellbeing of employees and others with whom the Group has contact; and
  - Promoting sustainable business practice.

Steamships reports against the Australian Stock Exchange (ASX) recommendations by addressing each key principle in the order it is listed in the ASX guidelines. Each section addressing a key principle includes references to relevant information that appears elsewhere in the 2025 Annual Report or on the Steamships' website. Steamships believes it complied with the ASX Corporate Governance Principles (the fourth edition) during the twelve months ended 31 December 2025, except where noted in the Corporate Governance Report.



Steamships' Corporate Governance Report can be found at <https://www.steamships.com.pg/about-us/corporate-governance>

# STATEMENTS OF COMPREHENSIVE INCOME

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's)

	Note	Consolidated		Parent Entity	
		2025	2024	2025	2024
Continuing Operations					
Revenue	3(a)	798,173	717,380	6,460	72,767
Other income	3(a)	22,892	29,643	2,226	2,248
Operating expenses	3(b)	(720,249)	(677,625)	(3,869)	(2,744)
<b>OPERATING PROFIT</b>		<b>100,816</b>	<b>69,398</b>	<b>4,817</b>	<b>72,271</b>
Finance income	3(e)	15,688	13,604	85	85
Finance costs	3(e)	(22,070)	(19,722)	-	-
Share of profit of associates and joint ventures	4(b)	8,011	6,141	-	-
<b>PROFIT BEFORE INCOME TAX</b>		<b>102,445</b>	<b>69,421</b>	<b>4,902</b>	<b>72,356</b>
Income tax (expense) / benefit	5(a)	(32,353)	(22,429)	6	(46)
<b>PROFIT FROM CONTINUING OPERATIONS</b>		<b>70,092</b>	<b>46,992</b>	<b>4,908</b>	<b>72,310</b>
<b>PROFIT FOR THE YEAR</b>		<b>70,092</b>	<b>46,992</b>	<b>4,908</b>	<b>72,310</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>					
attributable to:					
Non-controlling interests		3,032	1,154	-	-
Shareholders		67,060	45,838	4,908	72,310
		<b>70,092</b>	<b>46,992</b>	<b>4,908</b>	<b>72,310</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>					
attributable to owners arises from:					
Continuing operations		67,060	45,838	4,908	72,310
Basic and diluted earnings per share					
Continuing operations (toea)	3(f)	216.3t	147.8t	-	-

These Statements of Comprehensive Income are to be read in conjunction with the accompanying notes.

# STATEMENTS OF CHANGES IN EQUITY

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's)

Consolidated	Share Capital	Retained Earnings	Other Reserves	Total Capital and Reserves	Non-Controlling Interest	Total Equity
BALANCE AT 1 JANUARY 2024	24,200	1,068,690	(40,295)	1,052,595	17,028	1,069,623
Profit for the year	-	45,838	-	45,838	1,154	46,992
Dividends paid 2024	-	(31,008)	-	(31,008)	(684)	(31,692)
BALANCE AT 31 DECEMBER 2024	24,200	1,083,520	(40,295)	1,067,425	17,498	1,084,923
Profit for the year	-	67,060	-	67,060	3,032	70,092
Dividends paid 2025	-	(21,706)	-	(21,706)	-	(21,706)
BALANCE AT 31 DECEMBER 2025	24,200	1,128,874	(40,295)	1,112,779	20,530	1,133,309

Parent Entity	Share Capital	Retained Earnings	Total Equity
BALANCE AT 1 JANUARY 2024	24,200	15,691	39,891
Profit for the year	-	72,310	72,310
Dividends paid 2024	-	(31,008)	(31,008)
BALANCE AT 31 DECEMBER 2024	24,200	56,993	81,193
Profit for the year	-	4,908	4,908
Dividends paid 2025	-	(21,706)	(21,706)
BALANCE AT 31 DECEMBER 2025	24,200	40,195	64,395

These Statements of Changes in Equity are to be read in conjunction with the accompanying notes.

There is no other comprehensive income.

# STATEMENTS OF FINANCIAL POSITION

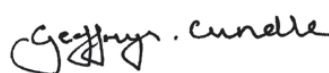
Steamships Trading Company Limited As At 31 December 2025 (Amounts in Kina 000's)

	Note	Consolidated		Parent Entity	
		2025	2024	2025	2024
<b>Current assets</b>					
Cash and cash equivalents	6	37,670	27,800	-	-
Trade and other receivables	7	202,213	159,987	1,029	878
Inventories	8	52,856	47,073	-	-
Income tax receivable	5(e)	8,580	14,329	333	239
Asset held for sale		-	455	-	-
		301,319	249,644	1,362	1,117
<b>Non-current assets</b>					
Property, plant and equipment	10	843,852	832,366	58,999	60,881
Investment properties	11	445,708	409,061	-	-
Investments in related companies	4(a)	75,585	51,562	76,172	55,299
Due from related companies	9	167,039	156,646	500	3,055
Intangible assets	12	76,433	76,433	-	-
Deferred tax assets	5(c)	8,065	4,880	859	786
		1,616,682	1,530,948	136,530	120,021
<b>TOTAL ASSETS</b>		<b>1,918,001</b>	<b>1,780,592</b>	<b>137,892</b>	<b>121,138</b>
<b>Current liabilities</b>					
Trade and other payables	13	99,945	138,482	32	18
Lease liabilities	14	2,344	2,280	-	-
Provisions for other liabilities and charges	15	7,328	6,710	-	33
Due to related companies	9	3,158	2,305	73,398	39,894
Due to a minority shareholder	16	160	160	-	-
Borrowings	16	170,530	71,565	-	-
		283,465	221,502	73,430	39,945
<b>Non-current liabilities</b>					
Other payables	13	25,405	29,414	-	-
Lease liabilities	14	52,256	53,496	-	-
Deferred tax liabilities	5(c)	49,858	34,026	67	-
Provisions for other liabilities and charges	15	13,723	12,386	-	-
Borrowings	16	359,985	344,845	-	-
		501,227	474,167	67	-
<b>TOTAL LIABILITIES</b>		<b>784,692</b>	<b>695,669</b>	<b>73,497</b>	<b>39,945</b>
<b>NET ASSETS</b>		<b>1,133,309</b>	<b>1,084,923</b>	<b>64,395</b>	<b>81,193</b>
<b>EQUITY</b>					
Share capital	17	24,200	24,200	24,200	24,200
Reserves		1,088,579	1,043,225	40,195	56,993
Capital and reserves attributable to the Company's shareholders		1,112,779	1,067,425	64,395	81,193
Non-controlling interests		20,530	17,498	-	-
<b>TOTAL EQUITY</b>		<b>1,133,309</b>	<b>1,084,923</b>	<b>64,395</b>	<b>81,193</b>

These Statements of Financial Position are to be read in conjunction with the accompanying notes.

For and on behalf of the Board:

30 March 2026



G.L. Cundle  
Chairman



C.K. Daniells  
Managing Director

# STATEMENTS OF CASH FLOWS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's)

	Note	Consolidated		Parent Entity	
		2025	2024	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers		755,947	742,119	2,226	2,248
Payments to suppliers and employees		(602,519)	(555,176)	(1,988)	(735)
Interest received		5,992	11,932	85	85
Interest and other finance costs paid		(22,369)	(18,494)	-	-
Income tax paid	5(e)	(11,321)	(23,802)	(81)	(261)
Net cash from operating activities	19(a)	125,730	156,579	242	1,337
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment		(201,579)	(231,122)	-	(39,894)
Proceeds from sale of property, plant and equipment		21,690	14,021	-	-
Subscription of additional shares in joint venture companies		(20,873)	(48)	(20,873)	(48)
Net loans issued to associated companies		(9,541)	(3,134)	(17,373)	(68,339)
Loan repaid by a joint venture		-	90,000	-	90,000
Dividends received from joint venture and associates		4,500	8,058	4,500	8,058
Net cash used in investing activities		(205,803)	(122,225)	(33,746)	(10,223)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from borrowings		155,500	120,000	-	-
Repayments of borrowings		(40,000)	(120,000)	-	-
Loans received from subsidiaries		-	-	55,210	39,894
Principal lease payments		(2,286)	(2,336)	-	-
Dividends paid		(21,706)	(31,692)	(21,706)	(31,008)
Net cash from / (used in) financing activities		91,508	(34,028)	33,504	8,886
NET INCREASE IN CASH HELD		11,435	326	-	-
NET CASH AT BEGINNING OF THE YEAR		26,235	25,909	-	-
NET CASH AT END OF THE YEAR		37,670	26,235	-	-
<b>CASH COMPRISES:</b>					
Cash and cash equivalents	6	37,670	27,800	-	-
Bank overdrafts	16	-	(1,565)	-	-
		37,670	26,235	-	-

These Statements of Cash Flows are to be read in conjunction with the accompanying notes.

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 1. Summary of material accounting policies

The Company is a company limited by shares and is incorporated and domiciled in Papua New Guinea. These Group consolidated financial statements were authorised for issue by the Board of Directors on 30 March 2026.

The Board of Directors has the power to amend the financial statements after their issue.

### (a) Basis of preparation

The financial statements have been prepared in accordance with the Papua New Guinea Companies Act 1997 (as amended) and comply with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS and other generally accepted accounting practice in Papua New Guinea. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1(z).

#### (i) Standards, amendments and interpretations effective in the year ended 31 December 2025

The following standards, amendments and interpretations to existing standards became applicable for the first time during the accounting period ended 31 December 2025.

- Amendments to IAS 21 - Lack of Exchangeability - An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The above changes did not have any material impact on the Group.

#### (ii) Standards, amendments and interpretations issued but not yet effective for the year ended 31 December 2025 or adopted early

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the entity's accounting

periods beginning on or after 1 January 2026 or later periods, but the entity has not early adopted them:

- Amendment to IFRS 9 and IFRS 7 – Classification and Measurement of Financial (effective 1 January 2026 - early adoption is available).

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- Annual improvements to IFRS – Volume 11 (effective 1 January 2026 - with earlier application permitted). Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash Flows.
- Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity (effective 1 January 2026, but can be early adopted subject to local endorsement where required). These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity'.

- Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency (effective 1 January 2027, but can be early adopted subject to local endorsement where required). These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:

- its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or
- it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.
- The amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency.

- Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37- Disclosures about Uncertainties in the Financial Statements. These amendments include Examples illustrating how an entity applies the requirements in IFRS Accounting Standards to disclose the effects of uncertainties in its financial statements. The Examples demonstrate how to disclose the impacts of uncertainties within climate-related scenarios, but the principles and requirements are also applicable to disclosure of other uncertainties. The Examples do not add to or change requirements in IFRS Accounting Standards and therefore there are no transition requirements. Instead, these Examples will accompany the respective IFRS Accounting Standards to which they relate.

- IFRS 18, 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027 - with early adoption possible subject to local endorsement where required). This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
  - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
  - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
- IFRS 19, 'Subsidiaries without Public Accountability: Disclosures' and amendment (effective 1 January 2027 - Earlier application is permitted). This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

A subsidiary is eligible if:

- it does not have public accountability; and
  - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.
- Amendment to IFRS 19, 'Subsidiaries without Public Accountability: Disclosures' (effective 1 January 2027, when IFRS 19 will be applicable). These amendments help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically:
    - IFRS 18 Presentation and Disclosure in Financial Statements;
    - Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
    - International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12);
    - Lack of Exchangeability (Amendments to IAS 21); and
    - Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

In the future, IFRS 19 will be amended at the same time as the IASB issues or revises other IFRS Accounting Standards.

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## *(iii) Comparative information*

Where necessary comparative figures have been adjusted to conform to changes in presentation in the current year and comparative purposes.

## **(b) Foreign currency**

The Company's functional and presentation currency is the Papua New Guinea Kina. Transactions in foreign currencies have been translated into the functional currency at rates ruling at the date of the transaction. Amounts payable to and by the Group in foreign currencies have been translated to the functional currency at rates of exchange ruling at the year end. Gains and losses arising from movements in foreign exchange rates are recognised in the statements of comprehensive income when they arise.

## **(c) Principles of consolidation**

### *(i) Subsidiaries*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Steamships Trading Company Limited as at 31 December 2025 and the results of all subsidiaries for the year then ended. Steamships Trading Company Limited and its subsidiaries together are referred to as the Group or the consolidated entity.

Subsidiaries are all entities over which the Group has control, that is when the Group 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.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 1(d)).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statements of comprehensive income, statements of changes in equity and statement of financial position, respectively.

### *(ii) Associates*

Associates are all entities over which the Group has significant influence but not control generally

accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

### *(iii) Joint ventures*

Joint venture entities

Interests in joint ventures are accounted for using the equity method after initially being recognised at cost as for associates.

### *(iv) Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to shareholders.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

## (d) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in determining profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

Predecessor accounting is applied for business combinations among entities under common control, including acquisitions of entities and amalgamations of entities under common control. Under this method, the financial statements of the combined entity are presented as if the businesses had been combined from the date when the combining entities were amalgamated. Assets and liabilities of the acquired or amalgamated entity are stated at predecessor carrying values. Fair value measurement is not required and no new goodwill arises in predecessor accounting. Any difference between the consideration given and the aggregate book value of the assets and liabilities of the acquired or amalgamated entity at the date of the transaction is included in equity in retained earnings.

## (e) Revenue recognition

Revenue which represents income arising in the course of the Group's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with the customer when or as the Group transfers the control of the goods or services promised in a contract to the customer. Depending on the substance of the respective contract with the customer, the control of the promised goods or services may transfer over time or at a point in time. A contract with a customer exists when the contract has commercial substance, the Group and its customer have approved the contract and intend to perform their respective obligations, the Group's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange of those goods or services. At the inception of each contract with a customer, the Group assesses the contract to identify distinct performance obligations, being the units of account that determine when and how revenue from the contract with the customer is recognised. A performance obligation is a promise to transfer a distinct good or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices. A good or service is distinct if:

- the customer can either benefit from the good or service on its own or together with other readily available resources; and
- the good or service is separately identifiable from other promises in the contract (e.g. the good or service is not integrated with, or highly interrelated with, other goods or services promised in the contract)

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If a good or service is not distinct, the Group combines it with other promised goods or services until the Group identifies a distinct performance obligation consisting of a distinct bundle of goods or services.

As disclosed in Note 24, revenue from external customers comes from the logistics business, property and hospitality business, and commercial business.

Revenue from the logistics business includes revenue from providing the following services: freight and shipping activities, land transport activities, towage and salvage activities, and sale of goods.

Revenue from freight and shipping services, land transport services and towage services are recognised over time as the performance obligation (in this case transport or towage activity) is performed taking into consideration the days of shipment. In case of sale of goods (such as containers), revenue is recognised at a point in time.

Payment terms for freight and shipping services and land transport services are typically 30 days; payment terms for towage services are typically within 30 days after completion of service delivery.

Salvage revenue is recognised over time as the performance obligation (in this case salvaging activity) is performed, based on the days of provision of service, or at a point in time (upon completion of the salvage job), depending on the nature of the salvage activity and the contractual terms. The Group recognises salvage revenue over time if the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. In such cases, the Group typically has a right to payment based on work performed until the reporting date. The Group recognises salvage revenue at a point in time when the customer does not simultaneously receive and consume the benefits provided by the Group's performance as the Group performs and has no enforceable right to payment for performance completed to date.

Payment terms for salvage work vary between one and three months. Where salvage work is completed but the amount of proceeds is not known at the reporting date, revenue is determined on the basis of expected proceeds taking into account estimation uncertainty. The estimated amount of consideration will be recognised as revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the consideration is subsequently resolved.

The Group incurs costs needed to fulfil salvage contracts and defers these costs incurred directly related to salvage work, if their recovery is considered probable based on management's assessment. If management's assessment suggests the expenses are not expected to

be recovered, the estimated unrecoverable portion is expensed when incurred. Probability of recoverability of initially recognised deferred salvage costs is assessed at the end of each reporting period. In the reporting period when management's assessment suggests that these expenses will not likely be recovered by revenues (i.e. the related contract asset is deemed impaired), the estimated unrecoverable portion is expensed. Deferred salvage costs are amortised in profit or loss on a systematic basis consistent with the pattern of recognition of the associated revenue.

Revenue from the hotels business from provision of services is recognised over time based on the days of provision of service; payments for provided services are made upon service delivery. Revenue from sale of goods in hotels business is recognised at a point in time upon delivery of goods under typical credit term of 30 days or in cash. Lease income from the property business is recognised on a straight-line basis over the term of the lease.

Revenue from the commercial business relates to sale of goods and is recognised when the goods are accepted by the customers, under typical payment terms of 30 days after the delivery of goods.

The following other income is recognised across the Group as follows:

#### *Interest income*

Interest income is recognised using the effective interest method.

#### *Dividend income*

Dividends are recognised when the right to receive payment is established.

#### **(f) Income tax**

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if it arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available,

# NOTES TO THE FINANCIAL STATEMENTS

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against which the temporary differences can be utilised.

## (g) Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with banks with an original maturity of up to 3 months. Bank overdrafts are shown in current liabilities in the statements of financial position.

## (h) Receivables

Trade receivables are amounts due from customers for merchandise sold or services provided in the ordinary course of business. They are classified as current assets if collection is expected within one year. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

## (i) Inventories

Inventories are valued at the lower of cost and net realisable value. In general, cost is determined on the weighted average basis and, where appropriate, includes a proportion of variable overhead expenditure.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling costs.

## (j) Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statements of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statements of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statements of comprehensive income.

## (k) Financial assets

The Group classifies all of its financial assets in the measurement category 'Financial assets at amortised cost'.

The Group classifies its financial assets at amortised cost when the asset is held within a business model whose objective is to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest ("SPPI"). Financial assets of the Group that fall under this category are trade and other receivables, bank balances, deposits and cash, and loans to related companies.

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains and losses together with foreign exchange gains and losses.

As of 31 December 2025 and 31 December 2024, the Group had no financial instruments classified as financial assets at fair value through other comprehensive income ("FVOCI") - Equity instruments or financial assets at fair value through profit or loss ("FVTPL").

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets are classified as current assets for those having maturity dates of not more than 12 months after

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the end of the reporting period, and the balance is classified as non-current.

## *Impairment of financial assets*

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments and financial guarantee contracts issued. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. For financial guarantee contracts, the ECL is the difference between expected payments to reimburse the holder of the guarantee debt instruments less any amounts the Group expects to recover from the other party.

ECL is measured based on either the general 3-stage approach or the simplified approach.

The general 3-stage approach is applied for loans to related parties and financial guarantee contracts issued.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

## *Collective assessment*

To measure ECL, trade receivables and other receivables have been grouped based on shared credit risk characteristics, such as days past due.

## *Individual assessment*

Trade receivables, other receivables and amounts due from related parties which are in default or credit-impaired are assessed individually.

## **(l) Property, plant and equipment**

All property, plant and equipment are initially recorded at cost. Borrowing costs directly attributable to the

acquisition or construction of qualifying assets are added to the cost of those assets until the assets are ready for their intended use. Land is not depreciated. Depreciation on other items of property, plant and equipment is calculated on the straight-line method to write off the cost of each asset to their residual values using the below rates which is reflective of their estimated useful life as follows:

Buildings	3% – 6%
Ships	2.5% - 10%
Plant and fittings	6% - 20%
Motor vehicles	10% - 20%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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 repairs and maintenance are charged to the statements of comprehensive income during the financial period in which they are incurred.

## **(m) Investment properties**

Investment properties include land held for long-term capital appreciation and buildings leased out under operating leases. Properties that comprise a portion held to earn rentals and a portion for own use or occupation will only be classified as investment property if an insignificant portion is held for own use or occupation. Investment properties are recognised when it is probable that future economic benefits associated with the property will flow to the Group and the cost of the investment property can be reliably measured. Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Transaction costs are included on initial measurement. Borrowing costs directly attributable to the acquisition or construction of qualifying assets are added to the cost of those assets until the assets are ready for their intended use. The fair values of investment properties are disclosed in the Note 11. These are assessed using internationally accepted valuation methods, such as taking comparable properties as a guide to current market prices or by applying the discounted cash flow method. Like property, plant and equipment, investment properties are normally depreciated using the straight-line method over similar useful lives.

## **(n) Goodwill**

Goodwill represents the excess of the cost of an

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acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition.

Goodwill is capitalised and assessed for impairment annually or more frequently if events or changes in circumstances indicate a potential for impairment and is carried at cost less impairment losses. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

## **(o) Trade and other payables**

These amounts represent obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The amounts are unsecured and are usually paid within 30 days of recognition.

## **(p) Provisions**

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 resource embodying economic benefits will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made.

A liability for annual leave is recognised and measured at the amount of unpaid leave at amounts expected to be paid to settle the present entitlements. A liability for long service leave is recognised taking into consideration expected future wage and salary levels, experience of employee departures and periods of service, discounted to present values.

A provision for estimated ship dry docking costs is only recognised where the Group has a contractual obligation under a Bare Boat charter agreement from a third party. Dry docking costs relating to ships not under third-party long-term charter agreements are only recognised as incurred and are capitalised to the extent that the previously assessed economic benefits associated with the asset are restored.

## **(q) Employee benefits**

### *(i) Short term obligations*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period

in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables.

### *(ii) Other long-term employee benefit obligations*

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of period in which the employees render the related service is recognised in the provision for the employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using the market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### *(iii) Termination benefits*

Termination benefits, as and where applicable, are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

## **(r) Borrowings**

Borrowings are recognised initially at fair value, net of any transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is

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required to comply with after the reporting period do not affect the classification at the reporting date.

## (s) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

## (t) Borrowing costs

Borrowing costs incurred for the construction of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use or sale, are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the year, in this case 4.16% (2024: 4.23%).

## (u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Steamships Trading Company Limited has appointed a strategic steering committee which assesses the financial performance and position of the group and makes strategic decisions. The steering committee is the Group's chief operating decision maker and consists of the managing director and finance director.

## (v) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group, by the weighted average number of ordinary shares outstanding during the financial year. There are no potential ordinary shares on issue and hence the diluted earnings per share is equal to the basic earnings per share.

## (w) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of GST. The amount of GST recoverable from, or payable to, the Taxation authority is included within other receivables or payables in the statements of financial position.

## (x) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-

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value assets comprise IT-equipment and small items of office furniture.

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

## (y) Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest thousand Kina.

## (z) Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### (i) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates as further detailed in Note 12.

### (ii) Estimated impairment of property, plant and equipment

The Group tests the recoverable amount of property, plant and equipment when impairment indicators are identified. Where an indicator of impairment is identified, the recoverable amount is determined using the higher of fair value less cost to sell and its value in use. Fair value is determined using market-based information, while value in use is determined using a

pre-tax cashflow projections and discount rate. Refer to Note 10.

### (iii) Deferred tax assets relating to carry forward tax losses

The analysis of the recognition and recoverability of the deferred tax assets relating to carry forward tax losses is complex and judgmental and estimating future taxable income is based on assumptions that are affected by expected future market or economic conditions. For management's judgments in relation to recoverability of deferred tax assets, refer to Note 5.

### (iv) Incremental borrowing rate relating to lease liabilities

As disclosed in Note 14, management assessed that the weighted average interest rate on collateralised borrowings obtained from financial institutions during 2025 and previous years of 4.5% approximates the incremental borrowing rate at the date of initial adoption of IFRS 16 and at 31 December 2025. Therefore, this rate has been used for discounting lease payments arising from state land leases and property leases. In making this judgement, management considered the period of leases (including extension and termination options), the quality of leased assets compared to assets used as collateral for relevant borrowings and made an assessment whether any adjustments to the weighted average rate on borrowings are needed to reflect differences in secured assets, lease periods compared to maturity of borrowings, and other factors affecting the incremental borrowing rate. Based on assessment performed, management concluded that the average weighted interest rate on borrowings of approximately 4.5% p.a. approximates the rate that the Group would expect to borrow to acquire the right-of-use assets in relation to land leases and property leases. If the incremental borrowing rate were 1% higher/(lower), lease liabilities as of 31 December 2025 would be K3.7 million lower and K8.3 million higher, respectively (2024: K4.4 million lower and K8.2 million higher).

## 2. Financial risk management

The Group's activities expose it to a variety of financial risks including market risk (including currency, and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out under policies approved by the Board of Directors.

### (a) Market risk

#### (i) Foreign exchange risk

The Group engages in international purchase

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transactions and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Australian dollar. Foreign exchange risk arises from recognised assets and liabilities.

The Group's foreign currency purchases do not represent a significant proportion of the Group's costs and as such exposure to foreign currency risk is minimal. It is not the Group's policy to hedge foreign currency risk. As the foreign currency exposure is minimal no sensitivity analysis is provided.

## *(ii) Price risk*

The Group is not significantly exposed to equity securities or commodities price risk.

## *(iii) Cash flow interest rate risk*

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Long term borrowings are a mix of fixed and variable rate interest. It is not the Group's policy to hedge cash flow and interest rate risk.

At 31 December 2025, if interest rates on PNG Kina-denominated borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been K7.4 million (2024: K5.8 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

## **(b) Credit risk**

The Group has no significant concentration of credit risk and it is not the Group's policy to hedge credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and has policies that limit the amount of credit exposure to any one customer. Where credit limits were exceeded during the reporting period management has made provision for amounts considered uncollectible.

The Group has the following types of financial assets that are subject to the expected credit loss model: trade receivables, other receivables (including intercompany receivables) and loans to related parties. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, impairment loss is immaterial.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses, for all financial assets, other than loans to related parties and other receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of

sales over a period of 36 months before 31 December 2025 or 31 December 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has analysed GDP and employment rate of PNG to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Management concluded that the impairment provision for trade receivables is not materially affected by changes in GDP and employment rate.

For loans to related parties and other receivables, the Group applies a 'three-stage' model for impairment based on changes in credit quality since initial recognition, as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instrument in Stage 1 has their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Loans in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

Forward-looking information incorporated in the model includes GDP Growth (%) of Papua New Guinea economy.

The Group considers a loan or other receivable to have experienced a significant increase in credit risk when one or more of the following quantitative and qualitative criteria have been met: delay in payment of over 30 days, early signs of cash flow/liquidity problems, significant adverse changes in business, financial and/or economic conditions in which related party operates, actual or expected forbearance or restructuring, significant change in collateral value (for collateralised loans).

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria: delay in payment of over 90 days, significant financial difficulty of related party (such as long-term

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forbearance, insolvency, or probability of bankruptcy). A loan or other receivable is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria at the reporting date.

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired.

All of the Group's loans to related parties as at 31 December 2025 and 31 December 2024 are classified in 'Stage 1'. Further, management assessed that no material impairment provision on loans to related parties is necessary given the following:

- Loans to related parties are repayable on demand and the Group expects to be able to recover the outstanding balance of related loans, if demanded;
- Loans to related parties have not had significant increase in credit risk since the loans were first recognised;
- There are no historic losses or write offs on these loans;
- As a result, impairment provision is based on 12-month expected credit losses, which results in immaterial impairment provision.

Similarly, the Group's other receivables as at 31 December 2025 and 31 December 2024 are classified in 'Stage 1', as they are either current or overdue up to 30 days, and the Group has not noted a significant increase in credit risk.

## (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group manages liquidity risk by maintaining sufficient bank balances to fund its operations and the availability of funding through committed credit facilities.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows.

Undrawn finance facilities as of 31 December were as follows:

	2025 K'000	2024 K'000
Undrawn Facilities	269,420	190,155

The table below analyses the Group's financial liabilities which will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year K'000	Between 1 & 2 years K'000	Between 2 & 5 years K'000	Over 5 years K'000	Total K'000	Carrying amount K'000
<b>At 31 December 2025</b>						
Borrowings	(190,012)	(44,772)	(346,740)	-	(581,524)	(530,515)
Borrowings from minority shareholders	(160)	-	-	-	(160)	(160)
Borrowings from related parties	(3,221)	-	-	-	(3,221)	(3,158)
Trade and other payables	(99,945)	(14,183)	(14,183)	-	(128,311)	(125,350)
Lease liabilities	(4,972)	(4,972)	(12,861)	(102,724)	(125,529)	(54,600)
	(298,310)	(63,927)	(373,784)	(102,724)	(838,745)	(713,783)
<b>At 31 December 2024</b>						
Borrowings	(86,832)	(355,801)	-	-	(442,633)	(416,410)
Borrowings from minority shareholders	(160)	-	-	-	(160)	(160)
Borrowings from related parties	(2,351)	-	-	-	(2,351)	(2,305)
Trade and other payables	(138,482)	(14,183)	(21,274)	-	(173,939)	(167,896)
Lease liabilities	(4,914)	(4,914)	(11,895)	(107,151)	(128,874)	(55,776)
	(232,739)	(374,898)	(33,169)	(107,151)	(747,957)	(642,547)

The Group does not hold derivative financial instruments.

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## (d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as external borrowings and unsecured loans less cash and cash equivalents. Net debt for the purposes of the gearing ratio does not include lease liabilities, trade and other payables and provisions for other liabilities and charges. Total capital is calculated as capital and reserves attributable to the Group's shareholders plus net debt. The gearing ratios at each balance date were as follows::

	2025 K'000	2024 K'000
Total external borrowing and unsecured loans	533,833	418,875
Less: Cash and cash equivalents	37,670	27,800
Net debt	496,163	391,075
Total equity	1,133,309	1,084,923
Total capital	1,629,472	1,475,998
Gearing ratio	30%	26%

The Group is subject to certain covenants related primarily to its external borrowings. Non-compliance with such covenants may result in negative consequences for the Group including declaration of default. The Group was in compliance with covenants as at 31 December 2025 and 31 December 2024, as well as during respective years.

## (e) Fair value estimation

IFRS 7 "Financial Instruments: Disclosures" requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).
- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Group does not hold any financial assets at fair value.

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 3. Operating results

	Consolidated		Parent Entity	
	2025	2024	2025	2024
<b>(a) Revenue and other income comprises:</b>				
Revenue from contracts with customers				
- Revenue from sale of goods	62,276	70,353	-	-
- Revenue from provision of services	588,069	527,209	-	-
Lease income	147,828	119,818	-	-
Dividend income	-	-	6,460	72,767
<b>Total Revenue</b>	<b>798,173</b>	<b>717,380</b>	<b>6,460</b>	<b>72,767</b>
Other income (net)*	22,892	29,643	2,226	2,248

\* Other income includes royalties, gain on sale of assets and net proceeds from insurance claims.

The Group's revenue from contracts with customers are recognised at a point in time and over time. Most of the revenue from the provision of services is recognised over time, while revenue from sale of goods is recognised at a point in time. Further disaggregation of revenue by segment is provided in Note 24.

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of 31 December 2025 that relates to shipping and freight services which commenced in late 2025 and will be finalised within January 2026 is K2.4 million (2024: K3.3 million).

	Consolidated		Parent Entity	
	2025	2024	2025	2024
<b>(b) Expenses comprise:</b>				
Cost of sales	175,141	158,450	-	-
Staff costs (Note 3c)	202,038	198,932	-	-
Depreciation and amortisation	123,932	113,468	1,882	2,009
Electricity and fuel	46,138	52,291	-	-
Insurance	8,362	7,914	-	-
Security cost	15,398	15,011	-	-
Motor vehicle expenses	35,709	33,106	-	-
Other operating expenses – net	113,531	98,453	1,987	735
<b>Total operating expenses</b>	<b>720,249</b>	<b>677,625</b>	<b>3,869</b>	<b>2,744</b>
<b>(c) Staff costs:</b>				
Wages and salaries	168,116	166,988	-	-
Retirement benefit contributions	7,102	6,309	-	-
Other benefits	26,820	25,635	-	-
<b>Total staff costs</b>	<b>202,038</b>	<b>198,932</b>	<b>-</b>	<b>-</b>

Number of staff employed by the Group at year end:

Full-time	3,542	3,365	-	-
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# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 3. Operating results (continued)

	Consolidated		Parent Entity	
	2025	2024	2025	2024
<b>(d) The operating profit before income tax is arrived at after charging and crediting the following specific items:</b>				
<b>After charging:</b>				
Audit fees	1,304	1,238	-	-
Fees for non-audit services to Auditors	276	192	-	-
Bad and doubtful debts provided	3,947	3,203	-	-
Donations	2,309	2,707	-	-
<b>After crediting:</b>				
Net proceeds from insurance claims	(2,932)	(17,077)	-	-
Gain on sale of property, plant and equipment - net	(19,700)	(12,250)	-	-
Bad and doubtful debts released	(55)	(3,365)	-	-
<b>(e) Cost of financing – net:</b>				
Interest expense*	22,070	19,722	-	-
Interest income	(15,688)	(13,604)	(85)	(85)
Net finance costs / (income)	6,382	6,118	(85)	(85)

\*The interest expense excludes capitalised interest which is K7.2 million in 2025 (2024: K1.5 million).

### (f) Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the average number of ordinary shares on issue during the year. There is no difference between the basic and diluted earnings per share.

	Consolidated	
	2025	2024
Net profit attributable to shareholders	67,060	45,838
Average number of ordinary shares on issue (thousands)	31,008	31,008
Basic earnings per share (continuing and discontinued)	216.3 toea	147.8 toea
Basic earnings per share (continuing)	216.3 toea	147.8 toea

## 4. Investments in subsidiaries, associates and joint ventures

	Consolidated		Parent Entity	
	2025	2024	2025	2024
<b>(a) Investments are accounted for in accordance with the policy set out in Note 1(c) and relate to:</b>				
Investments in subsidiary companies (Note 21)	-	-	76,172	55,299
Investments in associates (Note 22)	6,358	5,676	-	-
Investments in joint ventures (Note 23)	69,227	45,886	-	-
	75,585	51,562	76,172	55,299
<b>(b) Share of after tax profit in associates and joint ventures</b>				
Share of profit in associates	818	269	-	-
Share of profit in joint ventures	7,193	5,872	-	-
	8,011	6,141	-	-

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 5. Income tax

	Consolidated		Parent Entity	
	2025	2024	2025	2024
<b>(a) Income tax expense</b>				
Current tax	19,473	16,742	-	-
Deferred tax	11,281	4,208	(6)	46
Prior period under provision	1,599	1,479	-	-
	<u>32,353</u>	<u>22,429</u>	<u>(6)</u>	<u>46</u>

**(b) The income tax in the Statements of Comprehensive Income is determined in accordance with the policy set out in Note 1(f). The effective rate of tax charged differs from the statutory rate of 30% for the following reasons.**

Prima facie tax on profit before income tax	30,733	20,826	1,471	21,707
Non-taxable income - dividends	-	-	(1,477)	(21,661)
Tax on non-deductible expenses	670	833	-	-
Income not assessable for tax	(2,403)	(1,842)	-	-
Adjustments for current and deferred tax of prior periods	1,599	1,479	-	-
Unrecognised deferred tax asset on tax losses	1,754	1,133	-	-
	<u>32,353</u>	<u>22,429</u>	<u>(6)</u>	<u>46</u>

**(c) The deferred tax (liabilities) / assets comprise:**

Provisions	8,711	16,161	(67)	(48)
Lease liabilities	16,382	16,731	-	-
Prepayments and consumables	(18,306)	(16,836)	-	-
Property, plant and equipment	(39,583)	(36,391)	859	834
Right-of-use assets	(8,997)	(8,811)	-	-
	<u>(41,793)</u>	<u>(29,146)</u>	<u>792</u>	<u>786</u>
Deferred tax assets	8,065	4,880	859	834
Deferred tax liabilities	(49,858)	(34,026)	(67)	(48)
	<u>(41,793)</u>	<u>(29,146)</u>	<u>792</u>	<u>786</u>

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 5. Income tax (continued)

	Beginning Balance	Movement	Ending Balance
<b>(d) The gross movement on the deferred tax account is as follows:</b>			
<b>Consolidated</b>			
Provisions and accruals	16,161	(7,450)	8,711
Lease liabilities	16,731	(349)	16,382
Prepayments and consumables	(16,836)	(1,470)	(18,306)
Property, plant and equipment	(36,391)	(3,192)	(39,583)
Right-of-use assets	(8,811)	(186)	(8,997)
<b>Total</b>	<b>(29,146)</b>	<b>(12,647)</b>	<b>(41,793)</b>
<b>Parent Entity</b>			
Property, plant and equipment	834	25	859
Loan receivable	(48)	(19)	(67)
<b>Total</b>	<b>786</b>	<b>6</b>	<b>792</b>

**(e) The movement in income tax (receivable) / payable is as follows:**

	Consolidated		Parent Entity	
	2025	2024	2025	2024
Opening balance	(14,329)	(5,163)	(239)	35
Income tax provision	19,473	16,742	-	-
Utilisation of interests withholding tax	(2,403)	(2,106)	(13)	(13)
Tax payments made	(11,321)	(23,802)	(81)	(261)
<b>Closing balance</b>	<b>(8,580)</b>	<b>(14,329)</b>	<b>(333)</b>	<b>(239)</b>

## 6. Cash and cash equivalents

	Consolidated		Parent Entity	
	2025	2024	2025	2024
Cash and short-term deposits	37,670	27,800	-	-
<b>Total</b>	<b>37,670</b>	<b>27,800</b>	<b>-</b>	<b>-</b>

The maximum exposure to credit risk at the reporting date is the fair value of cash and cash equivalents on the statements of financial position. Cash and short-term deposits are held with the banks resident in Papua New Guinea who have appropriate long term credit ratings.

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 7. Trade and other receivables

	Consolidated		Parent Entity	
	2025	2024	2025	2024
Trade receivables	105,432	110,708	-	-
Trade receivables - related parties (Note 18)	21,034	7,782	1,029	878
Provision for impairment	(21,115)	(17,223)	-	-
	105,351	101,267	1,029	878
Other receivables	80,296	41,754	-	-
Prepayments	16,566	16,966	-	-
	202,213	159,987	1,029	878

### (i) Credit losses

As at 31 December 2025 and 31 December 2024, loss allowance was determined as follows for trade receivables:

31 December 2025	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected credit loss rate	0.01% - 1%	1% - 4%	4% - 14%	14% - 53%	17%
Gross carrying amount - trade receivables	55,102	20,250	17,087	34,027	126,466
Loss allowance	277	713	2,384	17,741	21,115

31 December 2024	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected credit loss rate	0.01% - 3%	3% to 30%	0% - 60%	60% to 70%	15.45%
Gross carrying amount - trade receivables	78,444	16,346	8,102	8,565	111,457
Loss allowance	1,599	4,884	4,815	5,925	17,223

Movement in the provision for impairment of trade receivables is as follows:

	Consolidated		Parent Entity	
	2025	2024	2025	2024
Opening balance	17,223	17,385	-	-
Impairments recognised during the year	3,947	3,203	-	-
Provision released	(55)	(3,365)	-	-
Write off	-	-	-	-
Closing balance	21,115	17,223	-	-

The creation and release of the provision for impaired receivables is included in operating expenses in the statements of comprehensive income. Amounts charged to the provision account are generally written off when there is no expectation of recovering the balance outstanding.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security in relation to these receivables.

### (ii) Other receivables and prepayments

Other receivables generally arise from transactions outside the usual operating activities of the Group. These mostly include receivables for rental bonds, dividends from a joint venture and other tax receivables (such as GST receivables) and other non-financial assets. These receivables are not interest bearing. Collateral is not normally obtained.

As at 31 December 2025 and 31 December 2024, most of the Group's other receivables are current and classified as Stage 1 for impairment provisioning purposes. The amount of other receivables overdue more than 30 days is not material, and the impairment provision based on expected loss model is immaterial.

Prepayments relate to advance payments for expenses not yet incurred.

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 8. Inventories

	Consolidated		Parent Entity	
	2025	2024	2025	2024
Finished goods	53,164	47,381	-	-
Provision for obsolescence	(308)	(308)	-	-
	52,856	47,073	-	-

Inventories recognised as an expense during the year ended 31 December 2025 and included in cost of sales and cost of providing services amounted to K31.2 million (2024: K23.9 million).

## 9. Due from / (to) related companies

	Consolidated		Parent Entity	
	2025	2024	2025	2024
<b>Non-Current</b>				
Non-Current				
Harbourside Development Limited	129,872	124,727	-	-
Pacific Rumana Limited	20,587	24,587	-	-
Wonye No. 2 Limited	13,182	3,182	-	-
John Swire & Sons Limited	1,541	-	-	-
Huhu Rural LLG	1,008	846	-	-
Colgate Palmolive (PNG) Limited	517	518	500	518
Viva No. 31 Limited	168	2,748	-	-
Makerio Stevedoring Limited	126	-	-	-
Wonye Limited	22	22	-	-
Wakang Inc.	16	16	-	-
Loan from subsidiaries	-	-	-	2,537
	167,039	156,646	500	3,055
Due to related parties				
John Swire & Sons Limited	(576)	-	-	-
Stevedoring associates	(2,582)	(2,305)	-	-
Loans from subsidiaries:				
<b>Current</b>	-	-	-	-
<b>Non-Current</b>	-	-	(73,398)	(39,894)
	(3,158)	(2,305)	(73,398)	(39,894)

The loans to Harbourside Development Limited are secured and earn interest at 6.5% per annum. The loan to Pacific Rumana Limited is unsecured and earns interest at 8.5% per annum. The loan from stevedoring associates is unsecured and incurs interest at 2% per annum.

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 10. Property, plant and equipment

	Property	Ships	Plant and Vehicles	Right-of-use Assets	Total
<b>Consolidated</b>					
<b>2025</b>					
Cost	647,547	568,438	449,814	45,156	1,710,955
Accumulated depreciation	(283,004)	(273,304)	(271,899)	(38,896)	(867,103)
Net book value	364,543	295,134	177,915	6,260	843,852
Opening value	336,119	299,481	191,596	5,170	832,366
Additions	55,106	38,885	14,300	1,915	110,206
Disposals	(2,801)	(320)	(587)	-	(3,708)
Depreciation	(23,881)	(42,912)	(27,394)	(825)	(95,012)
Closing value	364,543	295,134	177,915	6,260	843,852
<b>2024</b>					
Cost	666,312	560,421	497,284	43,253	1,767,270
Accumulated depreciation	(330,193)	(260,940)	(305,688)	(38,083)	(934,904)
Net book value	336,119	299,481	191,596	5,170	832,366
Opening value	288,652	227,092	170,545	6,270	692,559
Additions	77,610	109,651	53,846	341	241,448
Disposals	(906)	(53)	(911)	-	(1,870)
Depreciation	(29,237)	(37,209)	(31,884)	(1,441)	(99,771)
Closing value	336,119	299,481	191,596	5,170	832,366

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 10. Property, plant and equipment (continued)

	Property	Plant and Vehicles	Total
<b>Parent Entity</b>			
<b>2025</b>			
Cost	121,881	7,313	129,194
Accumulated depreciation	(63,809)	(6,386)	(70,195)
Net book value	58,072	927	58,999
Opening value	59,826	1,055	60,881
Additions	-	-	-
Depreciation	(1,754)	(128)	(1,882)
Closing value	58,072	927	58,999
<b>2024</b>			
Cost	121,881	7,313	129,194
Accumulated depreciation	(62,055)	(6,258)	(68,313)
Net book value	59,826	1,055	60,881
Opening value	21,634	1,362	22,996
Additions	39,894	-	39,894
Depreciation	(1,702)	(307)	(2,009)
Closing value	59,826	1,055	60,881

### (a) Assets in the course of construction

The carrying amounts of the assets disclosed above include the following expenditure recognised in relation to property, plant and equipment and investment properties which are in the course of construction:

	Consolidated		Parent Entity	
	2025	2024	2025	2024
Property	67,155	9,729	-	-
Ships and plant and vehicles	108,771	32,114	-	-
Total assets in the course of construction	175,926	41,843	-	-

The cost of additions in 2025 during the year includes borrowing costs of K7.2 million (2024: K1.5 million). The Group used a capitalisation rate of 4.16% (2024: 4.23%) p.a. to determine the amount of borrowing costs eligible for capitalisation.

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 10. Property, plant and equipment (continued)

### (b) Right-of-use assets

The recognised right-of-use assets relate to properties leased by the Group for its use (i.e. leased buildings and motor vehicles). The movement of right-of-use assets classified under property, plant and equipment is provided below:

	2025 PGK'000	2024 PGK'000
Opening net book amount	5,170	6,270
Lease agreements made during the year	1,915	341
Depreciation	(825)	(1,441)
Closing net book amount	6,260	5,170
At cost	45,156	43,253
Accumulated depreciation (including impairment losses)	(38,896)	(38,083)
Net book value	6,260	5,170

## 11. Investment properties

Investment properties represent the Group's residential and commercial properties that are available for external lease rather than internal use. Properties used by the Group are shown in 'Property' within Note 10.

	Consolidated		Parent Entity	
	2025	2024	2025	2024
Cost	752,652	633,391	-	-
Accumulated depreciation	(306,944)	(224,330)	-	-
Net book value	445,708	409,061	-	-
Opening value	409,061	381,374	-	-
Additions	65,567	41,383	-	-
Depreciation	(28,920)	(13,696)	-	-
Closing value	445,708	409,061	-	-

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 11. Investment properties (continued)

### (a) Right-of-use assets

The recognised right-of-use assets relate state land leases related to properties owned by the Group (including investment properties). The breakdown of right-of-use assets classified under investment properties is provided below:

	2025	2024
Opening net book amount	24,216	24,673
Terminated	115	-
Depreciation	(155)	(37)
Others	(419)	(420)
Closing net book amount	<u>23,757</u>	<u>24,216</u>
At cost	26,896	26,781
Accumulated depreciation	(3,139)	(2,565)
Net book value	<u>23,757</u>	<u>24,216</u>

### (b) Amounts recognised in profit / (loss) for investment properties

Rental income	147,828	119,817
Repairs and maintenance attributable to rental properties under non-cancellable leases	(11,172)	(4,669)
Operating expenses directly attributable to rental properties under non-cancellable leases	(31,079)	(26,073)

### (c) Valuation basis

Properties include commercial and residential properties occupied by Group businesses together with commercial and residential investment properties which are available for external lease. An analysis of the carrying amount and estimated range of fair values for each category of property is shown below. Fair values have been estimated internally, based on market evidence of property values, supported by independent professional valuations from previous years, adjusted by observable market trends related to PNG residential and commercial properties, as well as land values, on an annual basis.

Included in properties are the following:

	Net Book Value	Valuation Range	
		Lower	Higher
Investment properties	445,708	1,653,636	2,067,045
Other properties (Note 10)	364,543	464,524	580,655
Total	<u>810,251</u>	<u>2,118,160</u>	<u>2,647,700</u>

The management has utilised certain historical facts and available relevant market data in reaching their opinion as to the valuation of the properties up to the date of valuation, including use of comparable sales and capitalisation rates.

### (d) Non-current assets pledged as security

Refer to Note 16 for information on non-current assets pledged as security by the Group.

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 11. Investment properties (continued)

### (e) Contractual receivables

Minimum lease receivables under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

	Consolidated		Parent Entity	
	2025	2024	2025	2024
Within one year	91,851	96,258	-	-
Later than one year but not later than five years	152,438	206,624	-	-
Later than five years	4,418	13,499	-	-
	248,707	316,381	-	-

## 12. Intangible assets

	Consolidated		Parent Entity	
	2025	2024	2025	2024
Goodwill	76,433	76,433	-	-

The Group performs impairment tests on an annual basis. For the 2025 and 2024 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Management has determined the values based on the key assumptions as follows:

Long-term growth rate - This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

Pre-tax discount rates - Reflect specific risks relating to the relevant CGUs and the countries in which they operate.

### **Pacific Towing**

The goodwill balance in 2025 is PGK67.4 million (2024: K67.4 million). Growth beyond year three for the purpose of the impairment testing is set at 7% (2024: 7%). A pre-tax discount rate of 14.4% per annum (2024: 14.8% per annum) has been used and reflects specific risks relating to the operating CGU. The recoverable amount of the Pacific Towing CGU exceeds its carrying amount by K66.9 million (2024: K25.3 million). Management believes that growth rate of revenue of 7% per annum for Pacific Towing is appropriate, as approved three-year financial budgets are based on conservative assumptions.

Management determined the budgeted gross margin based on past performance and its market expectations. If the revised growth rate beyond three years had been 1% lower than management's estimates, the Group would need to reduce the carrying value of goodwill by Knil million. The CGU's carrying amount would exceed the value in use at a growth rate lower than 5.0% per annum.

The discount rates used are pre-tax and reflect specific risks relating to the relevant CGUs. If the revised estimated pre-tax discount rate applied to the discounted cash flows of the CGU had been 1% higher than management's estimates, the recoverable amounts of goodwill would exceed their carrying amounts by K35.3 million. The CGU's carrying amount would be equal to value in use at a discount rate of approximately 16.9% per annum.

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 12. Intangible assets (continued)

### *New Britain Shipping*

The goodwill balance in 2025 is PGK9.0 million (2024: K9.0 million). Growth beyond year three for the purpose of the impairment testing is set at 5% (2024: 5%). A pre-tax discount rate of 14.4% per annum (2024: 15.0% per annum) has been used and reflects specific risks relating to the operating CGU. The recoverable amount of the New Britain Shipping CGU exceeds its carrying amount by K11.1 million (2024: K2.0 million). Management believes that growth rate of revenue of 5% per annum for New Britain Shipping is appropriate, as approved three-year financial budgets are based on conservative assumptions.

Management determined the budgeted gross margin based on past performance and its market expectations. If the revised growth rate beyond three years had been 1% lower than management's estimates, the Group would need to reduce the carrying value of goodwill by Knil million. The CGU's carrying amount would exceed the value in use at a growth rate lower than 2.0% per annum.

The discount rates used are pre-tax and reflect specific risks relating to the relevant CGUs. If the revised estimated pre-tax discount rate applied to the discounted cash flows of the CGU had been 1% higher than management's estimates, the recoverable amounts of goodwill would exceed their carrying amounts by K8.9 million. The CGU's carrying amount would be equal to value in use at a discount rate of approximately 23.8% per annum.

## 13. Trade and other payables

	Consolidated		Parent Entity	
	2025	2024	2025	2024
Current				
Trade payables	3,945	45,456	-	-
Trade payables - related parties (Note 18)	1,647	-	-	-
Accruals	61,313	59,853	-	-
Other payables	33,040	33,173	32	18
	<u>99,945</u>	<u>138,482</u>	<u>32</u>	<u>18</u>
Non-current				
Other payables	25,405	29,414	-	-
	<u>25,405</u>	<u>29,414</u>	<u>-</u>	<u>-</u>

All current trade and other payables are due and payable within 12 months and are recorded at their fair value. Non-current other payables relate to deferred payments for the Portside land acquisition.

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 14. Lease Liabilities

As disclosed in Notes 10 and 11, the right-of-use assets and related lease liabilities are recognised in relation to the following types of assets: state land leases related to properties owned by the Group (including its investment properties) and properties (i.e. buildings leased by the Group for its use).

	2025	2024
State land leases	25,555	25,814
Properties	27,717	29,630
Vehicles	1,328	332
Total lease liabilities	54,600	55,776

Total lease liabilities as of 31 December 2025 include current liabilities of K2.3 million (31 December 2024: K2.3 million) and non-current liabilities of K52.3 million (31 December 2024: K53.5 million).

Minimum lease payments:

Not later than 1 year	4,972	4,914
Later than 1 year and not later than 5 years	17,831	16,809
Later than 5 years	102,726	107,151
Total	125,529	128,874
Less: Unexpired finance charges	(70,929)	(73,098)
	54,600	55,776

Present value of lease liabilities:

Not later than 1 year	2,344	2,280
Later than 1 year and not later than 5 years	15,213	14,236
Later than 5 years	37,043	39,260
Total	54,600	55,776

Interest on lease liabilities recognised in profit or loss by the Group amounts to K2.6 million (2024: K2.5million).

Movement in net lease liabilities as per below:

Opening balance	55,776	57,810
Lease agreements made during the year	1,275	341
Disposal during the year	(165)	(39)
Finance costs	2,649	2,505
Repayment	(4,935)	(4,841)
Closing balance	54,600	55,776

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 31 December 2025 and 31 December 2024 was 4.5% p.a. Management assessed that weighted average interest rate on borrowings obtained from financial institutions during 2025 and previous years approximates incremental borrowing rate at the date of initial adoption of IFRS 16 and at 31 December 2025. For related management's judgments refer to Note 1(z).

The Group recognised expenses relating to short-term leases and expenses relating to leases of low-value assets that are not short-term leases of K6.5 million and K7.9 million for the year ended 31 December 2025 (2024: K4.2 million and Knil), respectively. These expenses are included in operating expenses. The Group's leases have no variable payments.

## 15. Provisions for other liabilities and charges

	Employee	Insurance Claims	Others	2025	2024
Opening value	18,844	130	122	19,096	17,314
Charged to profit and loss	10,982	-	-	10,982	9,380
Utilisation / Reversal during the year	(8,775)	(130)	(122)	(9,027)	(7,598)
Closing value	21,051	-	-	21,051	19,096
Current	7,328	-	-	7,328	6,710
Non-current	13,723	-	-	13,723	12,386
	21,051	-	-	21,051	19,096

A description of employee provisions is disclosed in Note 1(p).

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 16. Borrowings

	Consolidated		Parent Entity	
	2025	2024	2025	2024
Current:				
Bank overdrafts (secured)	-	1,565	-	-
Bank loans	170,530	70,000	-	-
Other loans (unsecured)	160	160	-	-
	170,690	71,725	-	-
Non-current:				
Bank loans (secured)	359,985	344,845	-	-
	359,985	344,845	-	-
Total borrowings	530,675	416,570	-	-

Mortgages over certain of the Group's properties and a registered equitable charge over the remainder of the Group's assets, undertakings and uncalled capital are held by the Group's bankers as security for the bank overdrafts and secured loans.

Interest is paid on all loans at commercial rates at a discount to Indicator Lending Rates. The effective interest rate on bank facilities at the balance sheet date was 4.16% per annum (2024: 4.23% per annum). Bank overdrafts are interest-only with no agreed repayment schedule. Bank loans are secured loans with varying 1 to 3 year terms. The effective interest rate on other loans is 2.0% per annum (2024: 2.0% per annum).

The fair value of borrowings approximates their carrying amounts. Borrowing terms, margins and credit risk factors approximate currently obtainable levels for similar facilities.

## 17. Share capital

	Consolidated		Parent Entity	
	2025	2024	2025	2024
<b>(a) Issued and paid up capital</b>				
Ordinary shares	24,200	24,200	24,200	24,200
<b>(b) Number of shares</b>				
<b>Number of shares (000's)</b>				
Ordinary shares	31,008	31,008	31,008	31,008

In accordance with the Papua New Guinea Companies Act 1997 the shares have no par value.

The Company's securities consist of ordinary shares which have equal participation and voting rights.

### (c) Dividends

The Directors advised that a dividend of 65 toea per share will be paid immediately after the Annual General Meeting on 26th May 2026. Dividends payable to shareholders resident outside of Papua New Guinea will be converted to Australian Dollars at the prevailing rate which the Company is able to secure. During the year the Company paid dividends totalling 70 toea per share which relate to the final dividend of 2024 at 30 toea per share amounting to K9.3 million, and interim dividend for 2025 financial year of K12.4 million at 40 toea per share.

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 18. Related party disclosures

### (a) Loss of control:

On 28th February 2025, the Board of Hebamo Transport Limited (Hebamo) was structured as a 51%- 49% partnership, with Laba Holdings Limited owning the majority stake. Hebamo is now accounted for as a joint venture company.

### (b) Interest in subsidiaries, associates and joint ventures:

These are set out in Notes 21, 22 and 23, respectively.

### (c) Remuneration:

Income received or due and receivable both by Directors and general managers in connection with the management of the Group companies is shown in the Directors' Report.

	Consolidated		Parent Entity	
	2025	2024	2025	2024
<b>Key management personnel disclosure</b>				
Wages and salaries	24,391	20,441	-	-
Other short-term benefits	2,572	1,597	-	-

### (d) Material transactions:

All transactions with related parties are made on the terms and conditions as outlined below. Material transactions with related parties during the year were as follows:

Sales of goods and services				
- Associates and joint ventures	371	6,991	-	-
- Key management	3	13	-	-
- Associated groups	368	295	-	-
Lease and rental income				
- Associated groups	7,994	1,614	-	-
- Key management	13,319	1,033	-	-
Dividend received				
- Associates and joint ventures	4,634	8,058	6,460	80,561
Management fee received				
- Associates and joint ventures	-	1,240	-	-
- Associated groups	-	-	-	-
- Other shareholders	-	-	-	-
Interest received				
- Associates and joint ventures	10,287	12,920	-	-
Royalties received				
- Associates and joint ventures	2,226	1,885	2,226	1,885
Shipping and towage services				
- Key management	1,428	1,199	-	-
- Associated groups	44,497	42,277	-	-
Cartage and storage services				
- Associates and joint ventures	-	121	-	-
- Key management	4,877	288	-	-
- Associated groups	2,820	7,718	-	-
Purchase of goods and services				
- Associates and joint ventures	-	(2,481)	-	-
- Associated groups	(24,514)	(54,267)	-	-
- Key management	(3,072)	(2,199)	-	-
Management fees and recharges				
- Associated groups	(10,037)	(11,221)	-	-

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# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 18. Related party disclosures (continued)

	Consolidated		Parent Entity	
	2025	2024	2025	2024
Dividends paid				
- Other shareholders (minority interest)	-	(683)	-	-
- Controlling shareholder	(15,654)	(22,363)	(15,654)	(22,362)
- Significant shareholder	(6,052)	(8,646)	(6,052)	(8,646)
Loans to/(from) related companies				
- Associates and joint ventures	1,307	(79,821)	-	-
<b>Balances with related companies:</b>				
John Swire & Sons Limited (Note 9)	(576)	-	-	-
Stevedoring associates (Note 9)	(2,582)	(2,305)	-	-
Basilok Limited (Note 16)	(160)	(160)	-	-
<b>Due from related Companies:</b>				
Harbourside Development Limited (Note 9)	129,872	124,727	-	-
Pacific Rumana Limited (Note 9)	20,587	24,587	-	-
Wonye No. 2 Limited (Note 9)	13,182	3,182	-	-
John Swire & Sons Limited (Note 9)	1,541	-	-	-
Huhu Rural LLG (Note 9)	1,008	846	-	-
Colgate Palmolive (PNG) Limited (Note 9)	517	518	500	518
Makerio Stevedoring Limited (Note 9)	126	-	-	-
Viva No. 31 Limited (Note 9)	168	2,748	-	-
Wonye Limited (Note 9)	22	22	-	-
Wakang Inc. (Note 9)	16	16	-	-
Subsidiary Companies (Note 9)	-	-	-	2,537
Total trade receivables from related companies (Note 9)	167,039	156,646	500	3,055
<b>Balances receivable / (payable) from / to related companies:</b>				
Receivables				
Harbourside Development Limited (Note 7)	10,757	4,010	-	-
Wonye No. 2 Limited (Note 7)	6,272	-	-	-
Pacific Rumana Limited (Note 7)	1,434	-	-	-
Wonye Limited (Note 7)	1,224	67	-	-
Colgate Palmolive (PNG) Limited (Note 7)	595	474	595	474
John Swire & Sons Limited (Note 7)	434	2,932	434	404
Nikana Stevedoring Limited (Note 7)	163	128	-	-
Makerio Stevedoring Limited (Note 7)	120	171	-	-
Hebamo Transport Limited (Note 7)	35	-	-	-
Total trade receivables from related companies (Note 7)	21,034	7,782	1,029	878
Payables				
Nikana Stevedoring Ltd (Note 13)	812	-	-	-
Makerio Stevedoring Ltd (Note 13)	667	-	-	-
Harbourside Development Limited (Note 13)	143	-	-	-
Wonye Limited (Note 13)	25	-	-	-
Total trade payables from related companies (Note 13)	1,647	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 19. Reconciliation of cash flows

	Consolidated		Parent Entity	
	2025	2024	2025	2024
<b>(a) Cash generated from operations</b>				
Profit from continuing operations after tax	70,092	46,992	4,908	72,310
Depreciation and impairment	123,932	113,468	1,882	2,009
Dividend and interest income	(5,992)	(444)	(6,460)	(72,767)
Net gain on sale of fixed assets	(19,700)	(12,250)	-	-
Share of profit of associates and joint ventures	(8,011)	(6,141)	-	-
Change in operating assets and liabilities				
(Increase) / Decrease in trade debtors and other receivables	(42,226)	32,893	(151)	-
Increase in inventory	(5,783)	(7,593)	-	-
(Increase) / Decrease in deferred tax assets	(3,185)	(253)	(73)	(2)
(Decrease) / Increase in trade creditors and other payables	(38,537)	(1,901)	14	20
Increase / (Decrease) in other operating liabilities	33,559	(4,965)	149	(7)
Decrease / (Increase) in income tax receivable	5,749	(9,167)	(94)	(274)
Increase in deferred tax liabilities	15,832	5,940	67	48
Net cash from operating activities	125,730	156,579	242	1,337

## (b) Net debt reconciliation

	Lease liabilities	Bank loans	Other loans	Total
Net debt as at 1 January 2024	(57,810)	(415,301)	(2,022)	(475,133)
Proceeds from borrowings	-	(120,000)	-	(120,000)
Repayments	-	120,000	-	120,000
Lease agreements made during the year	(341)	-	-	(341)
Disposals during the year	39	-	-	39
Finance costs	(2,505)	456	(123)	(2,172)
Payment of lease liabilities	4,841	-	-	4,841
Net debt as at 31 December 2024	(55,776)	(414,845)	(2,145)	(472,766)
Proceeds from borrowings	-	(155,500)	-	(155,500)
Repayments	-	40,000	-	40,000
Lease agreements made during the year	(1,275)	-	-	(1,275)
Disposals during the year	165	-	-	165
Finance costs	(2,649)	(170)	(852)	(3,671)
Payment of lease liabilities	4,935	-	-	4,935
Net debt as at 31 December 2025	(54,600)	(530,515)	(2,997)	(588,112)

## 20. Retirement benefit plans

The total cost of retirement benefits of the Group in 2025 was K7.1 million (2024: K6.3 million). The Group participates in the National Superannuation Fund of Papua New Guinea, a multi-employer defined contribution fund, on behalf of all citizen employees with minimum employer and employee contribution rates established by legislation.

The parent entity does not employ staff directly; consequently, there was no charge during the year.

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 21. Subsidiaries and transactions with non-controlling interests

### Significant investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(c):

Name of Entity	Country of Incorporation	Class of Shares	Equity Holdings <sup>(1)</sup>	Equity Holdings <sup>(1)</sup>
			2025	2024
Steamships Limited	Papua New Guinea	Ordinary	100	100
Croesus Limited	Papua New Guinea	Ordinary	100	100
Oro Stevedoring Limited	Papua New Guinea	Ordinary	100	100
Kiunga Stevedoring Company Limited	Papua New Guinea	Ordinary	100	100
Windward Apartments Limited	Papua New Guinea	Ordinary	100	100
Pacific Towing SI Limited	Solomon Islands	Ordinary	100	100
Kavieng Port Services Limited	Papua New Guinea	Ordinary	60	60
New Britain Shipping Limited <sup>(2)</sup>	Papua New Guinea	Ordinary	50	50
United Stevedoring Limited <sup>(3)</sup>	Papua New Guinea	Ordinary	70	70
Morobe Terminals Limited <sup>(4)</sup>	Papua New Guinea	Ordinary	50.5	50.5
Lae Port Services Limited <sup>(5)</sup>	Papua New Guinea	Ordinary	51.5	51.5
Port Services PNG Limited <sup>(5)</sup>	Papua New Guinea	Ordinary	54	54
Madang Port Services Limited	Papua New Guinea	Ordinary	60	60
Motukea United Limited	Papua New Guinea	Ordinary	64.1	64.1
Palm Stevedoring & Transport Limited	Papua New Guinea	Ordinary	66.7	66.7
Sandaun Agency & Stevedoring Limited <sup>(6)</sup>	Papua New Guinea	Ordinary	100	100
Gazelle Port Services Limited <sup>(7)</sup>	Papua New Guinea	Ordinary	100	100
Portside Business Park Limited <sup>(8)</sup>	Papua New Guinea	Ordinary	100	100
Wonye No. 2 Limited <sup>(9)</sup>	Papua New Guinea	Ordinary	50	50
Gulf Maritime Services Limited <sup>(10)</sup>	Papua New Guinea	Ordinary	47.5	100
Hebamo Transport Limited <sup>(11)</sup>	Papua New Guinea	Ordinary	49	100

- <sup>(1)</sup> The portion of ownership is equal to the proportion of voting power held.
- <sup>(2)</sup> Consolidated by virtue of control over the operating decisions and returns. As at 31 December 2025, Steamships Trading Company Limited still has control over this entity.
- <sup>(3)</sup> United Stevedoring Limited became a subsidiary in May 2019.
- <sup>(4)</sup> Morobe Terminals Limited became a subsidiary in May 2019 and is in liquidation.
- <sup>(5)</sup> Lae Port Services and Port Services PNG Limited are in liquidation.
- <sup>(6)</sup> Incorporated since 9 March 2012 and is 100% owned by Steamships Limited. This Company is operating as an agency of Consort JV Port Services assumed the control of the management in 2022 with its 3-year Stevedoring license validity.
- <sup>(7)</sup> Incorporated on 21 July 2021 and is domiciled in Rabaul. The company is still under start-up phase.
- <sup>(8)</sup> Previously known as Motukea Industrial Park Limited, this company was incorporated on 30 April 2020 and is still under start-up phase.
- <sup>(9)</sup> Wonye No. 2 was incorporated on 8 October 2021 and became a joint venture company on 21 September 2023.
- <sup>(10)</sup> Incorporated on 9 May 2023 and is still non-operating. Gulf Maritime Services Limited became an associate on 22 October 2024.
- <sup>(11)</sup> Incorporated on 5 February 2024 and is still non-operating. Hebamo Transport Limited became an associate on 28 February 2025.

Shares in subsidiary companies have been stated at cost or fair value on acquisition less dividends received from pre-acquisition profits.

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 21. Subsidiaries and transactions with non-controlling interests (continued)

The summarised financial information of the Group's largest subsidiaries with non-controlling interest as at 31 December 2025 and 31 December 2024 is as follows:

	Ownership Interest %	Assets	Liabilities	Carrying Value	Revenue	Profit
<b>2025</b>						
Madang Port Services Limited	60	8,734	1,215	7,519	8,694	1,301
New Britain Shipping Limited	50	21,263	2,898	18,365	11,300	1,078
Motukea United Limited	64.1	5,640	489	5,151	15,926	2,887
Kavieng Port Services Limited	60	4,787	806	3,981	5,740	674
United Stevedoring Limited	70	7,113	3,372	3,741	23,142	3,314
<b>2024</b>						
Madang Port Services Limited	60	6,942	590	6,352	7,071	1,158
New Britain Shipping Limited	50	19,856	2,572	17,284	9,934	(663)
Motukea United Limited	64.1	4,404	1,180	3,224	12,781	1,852
Kavieng Port Services Limited	60	3,897	482	3,415	5,030	215
United Stevedoring Limited	70	4,582	3,094	1,488	19,677	432

## 22. Investment in associates

(a) Movement in carrying amounts as below:

	Consolidated		Parent Entity	
	2025	2024	2025	2024
Opening value	5,675	5,464	-	-
Share of profits before tax	1,168	384	-	-
Income tax expense	(350)	(115)	-	-
Dividend income	(135)	(57)	-	-
Closing value	6,358	5,676	-	-

The equity method is used to account for all interests in associates on a consolidated basis.

(b) Summarised financial information of equity accounted associates.

The Group's share of the results of its principal associates and its aggregated assets (including goodwill) and liabilities are as follows:

	Ownership Interest %	Assets	Liabilities	Carrying Value	Revenue	Profit
<b>2025</b>						
Makerio Stevedoring Limited	45	3,133	1,489	1,644	1,132	224
Nikana Stevedoring Limited	45	4,717	2,191	2,526	2,448	594
Riback Stevedores Limited	49	2,501	44	2,457	-	-
		10,351	3,724	6,627	3,580	818
<b>2024</b>						
Makerio Stevedoring Limited	45	2,653	1,265	1,388	2,286	64
Nikana Stevedoring Limited	45	3,519	1,688	1,831	2,831	205
Riback Stevedores Limited	49	2,501	44	2,457	-	-
		8,673	2,997	5,676	5,117	269

The associates provide stevedoring services to various external and Group shipping entities.

All associated companies are incorporated and operate in Papua New Guinea.

There are no contingent liabilities relating to the Group's interest in the associates.

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 23. Investment in joint ventures

### (a) Movement in carrying amounts

	2025	2024
Opening value	45,886	40,031
Additions during the year	20,873	48
Share of profits before tax	10,276	8,389
Income tax expense	(3,083)	(2,517)
Dividend income	(4,500)	-
Adjustments	(225)	(65)
Closing value	<u>69,227</u>	<u>45,886</u>

The interest in joint ventures is accounted for in the financial statements using the equity method of accounting.

### (b) Information relating to the joint ventures is set out below.

	Ownership Interest %	Assets	Liabilities	Carrying Value	Revenue	Profit /(Loss)
<b>2025</b>						
Colgate Palmolive (PNG) Limited	51	44,951	28,137	16,814	53,146	4,530
Harbourside Development Limited	50	475,835	489,926	-	30,050	-
Pacific Rumana Limited	50	6,298	79	6,219	3,986	858
Viva No. 31 Limited	50	9,620	6,326	3,294	1,216	141
Wonye Limited	50	49,685	31,739	17,946	4,981	1,432
Wonye No. 2 Limited	50	73,672	48,833	24,839	608	256
Gulf Maritime Services Limited	47.5	90	12	78	-	(12)
Hebamo Transport Limited	49	100	63	37	-	(12)
		<u>660,251</u>	<u>605,115</u>	<u>69,227</u>	<u>93,987</u>	<u>7,193</u>

	Ownership Interest %	Assets	Liabilities	Carrying Value	Revenue	Profit
<b>2024</b>						
Colgate Palmolive (PNG) Limited	51	42,808	25,817	16,991	51,512	3,399
Harbourside Development Limited	50	502,876	486,396	-	22,219	-
Pacific Rumana Limited	50	7,367	2,006	5,361	2,765	768
Viva No. 31 Limited	50	9,770	6,563	3,207	843	69
Wonye Limited	50	49,877	33,354	16,523	3,643	1,487
Wonye No. 2 Limited	50	12,465	8,613	3,852	484	149
Gulf Maritime Services Limited	47.5	-	48	(48)	-	-
		<u>625,163</u>	<u>562,797</u>	<u>45,886</u>	<u>81,466</u>	<u>5,872</u>

The Group's share of the capital commitments of joint ventures at 31 December 2025 is K5.0 million (2024: K4.5 million).

There are no contingent liabilities arising from the Group's interests in the joint ventures.

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 24. Segmental reporting

### (a) Description of segments

The Board monitors the business from a product perspective and has identified three reportable segments. A brief description of each segment is outlined below:

- Property and hospitality – consist of the hotels owned and operated by the Group and also its property leasing division. The assets are stated at historical cost net of accumulated depreciation and include new assets in the course of construction.
- Logistics – consists of shipping and land-based freight transport and related services divisions.
- Commercial and investments – consists of commercial, head office administration function and insurance activities.

### (b) Segment information

The segment information provided to the Board for the reportable segments for the Year ended 31 December 2025 is as follows:

	Property and Hospitality	Logistics	Commercial and Investments (and eliminations)	Total
<b>2025</b>				
Total revenue and other income from continuing operations	318,460	499,944	2,661	821,065
Interest revenue	-	45	15,644	15,689
Interest expense	(7,585)	(446)	(14,039)	(22,070)
Segment results	120,175	35,809	(61,550)	94,434
Share of joint ventures and associates profit	-	-	8,011	8,011
Income tax (expense) / credit	(36,052)	(10,743)	14,442	(32,353)
<b>Profit / (Loss) from continuing operations</b>	<b>84,123</b>	<b>25,066</b>	<b>(39,097)</b>	<b>70,092</b>
Segment assets	860,165	839,500	218,336	1,918,001
Segment liabilities	(205,552)	(401,849)	(177,291)	(784,692)
<b>Net assets</b>	<b>654,613</b>	<b>437,651</b>	<b>41,045</b>	<b>1,133,309</b>
Total assets include investments in joint ventures and associates	49,004	117	20,106	69,227
Capital expenditure	137,709	63,870	-	201,579
Depreciation	(46,122)	(74,276)	(3,534)	(123,932)
Cost of goods and services	(36,847)	(125,169)	(13,125)	(175,141)
Staff costs	(53,954)	(118,065)	(30,019)	(202,038)
Significant items:				
Net insurance proceeds	2,932	-	-	2,932
Gain on asset disposal – net	19,700	-	-	19,700
ERP costs	-	-	(20,118)	(20,118)

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 24. Segmental reporting (continued)

### (b) Segment information (continued)

	Property and Hospitality	Logistics	Commercial and Investments (and eliminations)	Total
<b>2024</b>				
Total revenue and other income from continuing operations	311,512	433,001	2,510	747,023
Interest revenue	-	138	13,466	13,604
Interest expense	(2,505)	-	(17,217)	(19,722)
Segment results	123,282	(6,728)	(53,274)	63,280
Share of joint ventures and associates profit	-	-	6,141	6,141
Income tax (expense) / credit	(36,985)	2,018	12,538	(22,429)
Profit / (Loss) from continuing operations	86,297	(4,710)	(34,595)	46,992
Segment assets	781,400	577,367	421,825	1,780,592
Segment liabilities	(104,140)	(382,718)	(208,811)	(695,669)
Net assets	677,260	194,649	213,014	1,084,923
Total assets include investments in joint ventures and associates	25,642	5,723	20,197	51,562
Capital expenditure	108,390	94,854	27,878	231,122
Depreciation	(44,061)	(66,152)	(3,255)	(113,468)
Cost of goods and services	(60,208)	(104,966)	6,724	(158,450)
Staff costs	(39,407)	(129,891)	(29,634)	(198,932)
Significant items:				
Net insurance proceeds	16,622	-	455	17,077
Gain on asset disposal – net	11,849	454	(53)	12,250
ERP costs	-	-	(9,416)	(9,416)

These figures include non-controlling interests share of operating profits and assets.

Revenue from the hotels and property business mostly relates to the provision of services and is recognised over time. A minor portion represents revenue from the sale of goods and is recognised at a point in time. Similarly, revenue from the logistics business mostly relates to the provision of services and is recognised over time. Revenue from the commercial segment relates to sale of goods and is recognised at a point in time.

### (c) Geography

The Group operates almost wholly in Papua New Guinea. It is not practical to provide a segment analysis by geographical region within Papua New Guinea. The Group has two insignificant business operations in the Solomon Islands and Fiji.

# NOTES TO THE FINANCIAL STATEMENTS

Steamships Trading Company Limited Year Ended 31 December 2025 (Amounts in Kina 000's unless otherwise stated)

## 25. Contingent liabilities

There were contingent liabilities at the Balance Sheet date as follows:

- (a) Steamships Trading Company Limited holds a 51% interest in an associated company, Colgate Palmolive (PNG) Ltd, ("CP (PNG Ltd"). In 2022 CP (PNG) Ltd received a notice from PNG Customs seeking to reassess the historic rate of import duty applied to a specific product, known as soap noodles, resulting in an additional duty of K11.1 million and an intention to apply the higher rate on future imports. CP (PNG) Ltd has disputed the interpretation of the product characteristics by PNG Customs and formally appealed against this higher assessed rate of duty. The appeal process remains in progress.

To the extent that any of the additional duty is deemed payable by CP (PNG) Ltd following the appeal process, the Group's share of profits from associates and the equity accounted investment in CP (PNG) Ltd will be reduced by 51% of the amount payable, net of any tax effect.

- (b) The parent entity has given a secured guarantee in respect of the bank overdrafts and loans of certain subsidiaries, associates and joint ventures.
- (c) The parent entity has given letters of comfort of continuing financial support in respect of certain subsidiaries, associates and joint ventures.

No losses are anticipated in respect of these guarantees.

## 26. Commitments

### (a) Capital commitments

	Consolidated		Parent Entity	
	2025	2024	2025	2024
Contracts outstanding for capital expenditure:				
- less than 12 months	28,040	32,273	-	-
- 1-5 years	-	-	-	-
	28,040	32,273	-	-

## 27. Subsequent events

On 13th January 2026, K140 million of bank facilities with Westpac Bank PNG Limited were extended until 31 August 2030.

# INDEPENDENT AUDITOR'S REPORT

to the shareholders of Steamships Trading Company Limited



## Report on the audit of the financial statements of the Company and the Group

### Our opinion

We have audited the financial statements of Steamships Trading Company Limited (the Company), which comprise the statements of financial position as at 31 December 2025, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes to the financial statements, including material accounting policy information of the Company and Group. The Group comprises the Company and the entities it controlled at 31 December 2025 or from time to time during the financial year.

In our opinion, the accompanying financial statements:

- comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and other generally accepted accounting practice in Papua New Guinea; and
- give a true and fair view of the financial position of the Company and the Group as at 31 December 2025, and their financial performance and cash flows for the year then ended.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

### Independence

We are independent of the Company and Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to the audits of financial statements of public interest entities in Papua New Guinea. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### Our audit approach

An audit is designed to provide reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the Company and the Group, their accounting processes and controls and the industries in which they operate.

# INDEPENDENT AUDITOR'S REPORT

to the shareholders of Steamships Trading Company Limited



## Audit scope

Our audit focused on where the directors made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. We (PwC Papua New Guinea) conducted audit work over the Group's significant operations, including the significant subsidiaries included in the Group consolidation, sufficient to express an opinion on the financial statements as a whole. All subsidiaries and significant associates of the Group are incorporated and operating in Papua New Guinea except for one subsidiary which has operations in the Solomon Islands.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period. The key audit matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key matters to be communicated in our report.

Further, commentary on the outcomes of the particular audit procedures is made in that context.

Key audit matter	How our audit addressed the key matter
<p><b>Revenue recognition – Refer to Note 1(e) for a description of the relevant accounting policies and Note 3(a) for an overview of the Group's revenue streams</b></p> <p>For the year ended 31 December 2025, the Group recognised K798.17 million in revenue from the provision of services, sale of goods and leasing.</p> <p>The Group recognises revenue from the provision of a diverse range of services across its operating segments of Property and Hospitality and Logistics. Revenue from hospitality and logistics services is recognised when or as control of goods or services transfers to the customer, either over time or at a point in time depending on the nature of the performance obligation in accordance with IFRS 15 <i>Revenue from Contracts with Customers</i>.</p> <p>Rental income from the property businesses is recognised in accordance with IFRS 16 <i>Leases</i> on a straight-line basis over the lease term, which requires judgement in determining lease terms and the appropriate recognition period.</p> <p>This is a key audit matter given the significance of revenue to the statements of comprehensive income and the significant effort involved in performing audit procedures over revenue recognition.</p>	<p>We performed the following audit procedures over the Group's revenue, amongst others:</p> <ul style="list-style-type: none"><li>• We obtained an understanding of the design and implementation of relevant controls involved in the recognition of revenue for businesses within the Group.</li><li>• For a sample of revenue transactions, we compared the amount recognised to underlying supporting documents such as contracts, invoices, shipping documents, service records and lease agreements.</li><li>• For a sample of revenue transactions recognised over time, we assessed whether the amount recognised appropriately reflected the stage of completion and performance obligations satisfied at year end.</li><li>• For a sample of lease income recognised, we compared the revenue recognised to lease agreements and recalculated the straight-line recognition of lease revenue over the lease term.</li><li>• Compared journal entries to supporting documentation for a selection based on risk, including consideration of those posted at period-end which impacted the recognition of revenue.</li><li>• Assessed the adequacy of the presentation and disclosure of revenue in the financial statements.</li></ul>

# INDEPENDENT AUDITOR'S REPORT

to the shareholders of Steamships Trading Company Limited



## ***Other information***

The directors are responsible for the annual report which includes other information. Our opinion on the financial statements does not cover the other information included in the annual report and we do not express any form of assurance conclusion on the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 statements***

The directors are responsible, on behalf of the Company for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and other generally accepted accounting practice in Papua New Guinea and the Companies Act 1997 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## ***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are 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 ISAs 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 the financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

# INDEPENDENT AUDITOR'S REPORT

to the shareholders of Steamships Trading Company Limited



- 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 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 statements 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations preclude 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.

# INDEPENDENT AUDITOR'S REPORT

to the shareholders of Steamships Trading Company Limited



## *Report on other legal and regulatory requirements*

The Companies Act 1997 requires that in carrying out our audit we consider and report on the following matters. We confirm in relation to our audit of the financial statements for the year ended 31 December 2025:

- We have obtained all the information and explanations that we have required;
- In our opinion, proper accounting records have been kept by the Company as far as appears from an examination of those records.

## *Who we report to*

This report is made solely to the Company's shareholders, as a body, in accordance with the Companies Act 1997. Our audit work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an auditor's report and for no other purpose. We do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

PRICEWATERHOUSE COOPERS

PricewaterhouseCoopers

Chris Wickenhauser

Chris Wickenhauser

Partner

Registered under the Accountants Act 1996

Port Moresby

30 March 2026

# DIRECTORS' REPORT

Steamships Trading Company Limited Year ended 31 December 2025

## Steamships Trading Company Limited and Subsidiary Companies

The Directors submit their Annual Report for the year ended 31 December 2025 for the Company and its subsidiaries.

### Principal Activities and Review of Operations

Full details of the Group's activities are given in the Directors' Review on page 8. The Group continues to operate in the segments of Property and Hospitality, Logistics and Commercial and Investments.

The Directors believe that there will be no significant changes in the Group's activities for the foreseeable future.

### Changes in Accounting Policies

There are no changes in accounting policies during the year.

### Results

The Group operating profit for the year attributable to shareholders was K67,060,000 (2024: K45,838,000).

### Dividends

The Directors advise that a final dividend of 30 toea per share will be paid after the Annual General Meeting on 26th May 2026. Dividends payable to shareholders resident outside of Papua New Guinea will be converted to Australian Dollars at the prevailing rate which the Company is able to secure.

### Rounding Off

Amounts in the Directors' Report and accounts have been rounded off to the nearest thousand Kina.

# DIRECTORS' REPORT

Steamships Trading Company Limited Year ended 31 December 2025

## Experience & Interests Register

Directors serving at the date of this report have disclosed the following experience and interests in shares in the Company and provided general disclosure of companies in which the Director is to be regarded as interested as set out below:

### G.L. Cundle

Chairman since 2015

Managing Director from 2013 to 2015

Member of the Remuneration and Nomination Committee

Member of the Strategic Planning Committee Director since 2013

Mr. Cundle joined the Swire Group in 1979 and has extensive corporate experience having worked with the Group in various divisions in Hong Kong, Australia, Korea, Japan, and Papua New Guinea. He was a Non-Executive Director of Steamships in 2006-2007 and General Manager of Steamships Shipping & Transport from 1989-1992. He was the Managing Director of Steamships Trading Company Limited from 1st January 2013 to 12th January 2015. He is the Chairman and Chief Executive Officer of John Swire and Sons (Australia) Pty Limited.

### P. J. Aitsi MBE

Director from November 2014 to 2018

Member of the Strategic Planning Committee since 1st January 2025

Director since 2021

Peter Aitsi is a senior Papua New Guinean business leader with over 30 years of experience having led and managed a number of PNG's leading companies. He has a long-standing involvement with community organisations such as Transparency International PNG, Badili Club of PNG, and Kokoda Track Foundation. Peter serves on the board of the following companies; Steamships Trading Company, Chair of MiBank PNG, Chair of PNG Property Developers Association, Director of OilMin Holdings and Chair of media company PNGFM Ltd. He studied Banking and Finance at the PNG Institute of Banking and Finance in Port Moresby (now IBBM), he is a member of the Australian Institute of Directors and a member of the PNG Institute of Directors (PNGID) and was awarded the Male Director of the Year in 2018. In 2004 he was accorded a Queens award as a Member of the British Empire (MBE) in recognition for his contributions to the development of PNG media and his long-standing voluntary service to various community organisations.

### L.M. Bromley

Chairperson of the Audit Committee since July 2021

Member of the Strategic Planning Committee since July 2021

Member of the Remuneration and Nomination Committee since July 2021

Director since 2019

Ms. Bromley has been a Senior Executive at the Bromley Group of Companies for over 12 years. She currently serves as a Director for various commercial operating companies within the group, including Heli Niugini Ltd, Maps Tuna Ltd, and Western Drilling Ltd in Papua New Guinea; PT Sayap Garuda Indah and PT Air Bali in Indonesia; Merit Finance Limited, Allway Logistics Limited, and Merit Logistic Services Limited in Hong Kong; and Aerolift (Singapore) Pte. Ltd. in Singapore. In these roles, she oversees aviation operations, logistic support, and group investment functions.

Additionally, Ms. Bromley is the Director of Bromley Investment Fund Pte. Ltd. and Bromley Investment Office Pte. Ltd., which manage the investment portfolio of the Bromley Group. She also provides consultancy services for the group's property development and property management companies in Papua New Guinea and Australia.

Ms. Bromley is a Director of Viva No 31 Ltd, a joint venture company with Steamships Trading Company, and has previously held positions on the Divisional Boards of EastWest Transport and Steamships Shipping. She holds a Bachelor of Commerce and a Bachelor of Laws.

# DIRECTORS' REPORT

Steamships Trading Company Limited Year ended 31 December 2025

## **D.H. Cox OL, OBE**

Managing Director from 2004 to 2012

Member of the Audit Committee

Member of the Strategic Planning Committee

Director since 2003

Mr. Cox joined Steamships as a Manager in 1992, rising to become Managing Director from 2004-2012. He has extensive experience in the Asia-Pacific business environment and holds an MBA in International Hospitality & BSc (Hons) in Accounting & Business Management.

## **C.K. Daniells**

Managing Director since 1st July 2024

Member of the Strategic Planning Committee since 1st July 2024

Member of the Remuneration and Nomination Committee since 1st July 2024

Mr. Daniells was previously the Managing Director of Swire Projects and Chief Commercial Officer for Singapore-based Swire Shipping and has over 25 years' experience in the shipping and aviation industry. His extensive career began in 1997 when he joined John Swire & Sons Ltd. His experience spans various sales, trade management, and senior executive roles across Australia, Papua New Guinea, Hong Kong, Europe, and Singapore.

This is not his first time in PNG and with Steamships, as early in his career, he was engaged as the National Marketing Manager, PNG. Following 2-years in Port Moresby, he gained valuable experience with Cathay Pacific in Hong Kong and Italy as Head of Planning and Country Manager before returning to Singapore as General Manager at Swire Shipping, overseeing the operational and strategic leadership of the business implementing a USD450 million new building programme and the successful delivery of twelve new multi-purpose vessels into the Swire Shipping network. In 2016, he was appointed as a Commercial Director, where he developed a new commercial strategy and grew the newly established Swire Bulk division into one of the top three market leaders in this sector, establishing the business from a start-up to USD1.5 billion turnover business operating 150 vessels. In 2020, he was appointed Chief Commercial Officer establishing Swire Projects, and created a new independent Trans-Pacific trade service operating between Vietnam and the West Coast, North America.

## **C. Kasou**

Appointed as Non-Executive Director on 1st March 2024

Member of the Remuneration and Nomination Committee since 1st January 2025

Christine began her career in private practice in 2001 as a commercial lawyer with Gadens Lawyers (now Dentons) in Port Moresby. In 2006, Christine joined Oil Search (PNG) Limited, now a subsidiary of Santos Limited. She has over 17 years of experience in Papua New Guinea's oil and gas industry working extensively in the organization's contracting and procurement functions, legal and compliance department, gas projects development and people and culture function. Christine has substantial experience in corporate governance and regulatory responsibilities within the jurisdiction and is currently the Senior Commercial Manager, PNG. Christine holds a Bachelor of Laws from the University of Papua New Guinea.

# DIRECTORS' REPORT

Steamships Trading Company Limited Year ended 31 December 2025

## **A. Mistroni**

Finance Director and Company Secretary since 1st July 2024

Mr. Mistroni began his career in the UK with Smiths Group Plc; he has over 20 years' experience in financial leadership roles across Europe, Middle East and Asia in both private and public listed companies.

In his previous roles he was responsible for business turnaround, digital transformation, financial planning, liquidity management. He holds a bachelor's degree from University of East London, and he is a Fellow of Chartered Institute of Management Accountants of England and Wales as well as CPA Australia.

## **J.B. Rae-Smith**

Director since 2019

Mr. Rae-Smith is Chairman of Swire Renewable Energy and United States Cold Storage, a Director and Chairman of the Audit and Risk Committee of Swire Shipping Co Pte Ltd and Swire Bulk Pte Ltd. He is also the President of the United Kingdom Chamber of Shipping and a Director of BIMCO. He joined the Swire Group in 1985 and has worked with the Group in Australia, Papua New Guinea, Japan, Taiwan region, Hong Kong, the United States, Singapore, and the United Kingdom. He was a Director of Swire Pacific Limited, a company listed in Hong Kong, from January 2013 to August 2016 and was the Executive Director of the Marine Services Division from 2005 to 2016, the Trading & Industrial Division between 2008 and 2016 and Chairman of the Swire Group Charitable Trust. In addition, he has also been a Director of the Standard P&I Club, Deputy Chairman of the Hong Kong Ship Owners Association, Chairman of the Lloyds Asian Ship Owners Committee, and a Director of the Singapore Environmental Council.

# STOCK EXCHANGE INFORMATION

Steamships Trading Company Limited Year ended 31 December 2025

## Remuneration of Directors

Directors remuneration received or receivable from the Company as directors during the year, is as follows:

	2025 K'000	2024 K'000
GL Cundle (Chairman)	299	268
LM Bromley	330	313
DH Cox	297	271
C Kasou	233	122
PJ Aitsi	233	151
JB Rae-Smith	167	151
	1,559	1,276

The directors fees vary in accordance with the required duties on various sub-committees of the board.

\* Executive Directors receive no fees for their service as Directors during the year.

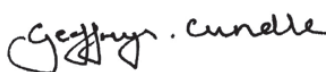
## Remuneration of Employees

The number of employees whose remuneration and other benefits was within the specified bands are as follows:

Remuneration K'000	2025 No.	2024 No.	Remuneration K'000	2025 No.	2024 No.	Remuneration K'000	2025 No.	2024 No.
100-110	8	10	230-240	1	9	400-500	13	11
110-120	8	10	240-250	3	5	500-600	6	5
120-130	5	14	250-270	3	6	600-700	9	10
130-140	7	8	270-280	5	1	710-800	6	6
140-150	13	12	280-290	7	5	810-900	5	5
150-160	11	6	290-300	1	2	900-1,000	2	-
160-170	12	6	300-320	1	4	1,000-1,500	3	4
170-180	1	8	320-330	2	-	1,500-2,000	2	1
180-190	3	2	330-340	1	-	2,000-2,900	-	1
190-200	1	2	340-360	2	2	2,900-3,000	-	1
200-210	4	5	360-380	2	-	4,000-5,000	1	-
210-220	5	3	380-390	1	1			
220-230	1	4	390-400	1	3			

For and on behalf of the Board:

Port Moresby  
30 March 2026



Chairman



Managing Director

# STOCK EXCHANGE INFORMATION

Steamships Trading Company Limited Year ended 31 December 2025

Shares are listed on the Australian Securities Exchange and the Port Moresby Stock Exchange. All shares carry equal voting rights.

## Shareholdings

At 28 February 2026, there were 378 shareholders.

288	Holding	1	-	1,000 units
63	Holding	1,001	-	5,000 units
11	Holding	5,001	-	10,000 units
12	Holding	10,001	-	100,000 units
4	Holding	100,000	-	over

The number of shareholders holding less than a marketable parcel was 33.

### The 20 largest shareholders were:

	Number of shares	%
JS&S (PNG) LIMITED	22,362,651	72.12
CITICORP NOMINEES PTY LIMITED <UBS BROMLEY INVEST ACCOUNT>	5,760,000	18.58
NATIONAL SUPERANNUATION FUND LIMITED	1,859,446	6.00
BERNE NO 132 NOMINEES PTY LTD <657243 A/C>	446,494	1.44
JOHN E GILL OPERATIONS PTY LIMITED <JOHN E GILL NO 2 A/C>	54,727	0.18
BUDLEAF PTY LTD <BUDLEAF SUPER FUND A/C>	50,451	0.16
HYLEC INVESTMENTS PTY LIMITED <HYLEC CONTROLS P/L S/F A/C>	32,500	0.10
BOND STREET CUSTODIANS LIMITED <JONJAM - V41 335 A/C>	28,215	0.09
CITICORP NOMINEES PTY LIMITED	27,434	0.09
MR RAMESH MAHTANI	21,700	0.07
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	21,152	0.07
INTERCONTINENTAL ASSETS PTY LIMITED	15,000	0.05
MR JAMES DOUGLAS GRIFFITH	13,173	0.04
MR REUBEN ERNEST BOWD	12,663	0.04
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,767	0.03
MRS LUCY ANN KING	10,348	0.03
MS JENNIFER MAY FORBES	10,000	0.03
ESTATE LATE MARY PATRICIA HAUGHTON	8,161	0.03
MRS JUDITH SCOTTHOLLAND	8,161	0.03
MRS ROBYN ANNE GOSTELOW	7,393	0.02
	30,760,436	99.20

## Applicable Legislation

The Company is incorporated in Papua New Guinea and is not generally subject to Australian Corporations Law including, in particular, Chapter 6 of the Australian Corporations Law dealing with the acquisition of shares (including substantial shareholdings and takeovers). The Company is subject to the requirements of the Papua New Guinea Companies Act 1997, Securities Act 1997 and the Takeovers Code. The Companies Act and the Securities Act regulate the issue and buy-back of shares and contain provisions as to the trading in securities, provisions as to financial benefits to related parties, substantial shareholders provisions, remedies in cases of oppression or injustice and actions by, and access to, records by shareholders.

The Takeovers Code regulates offers where a person already holds more than 20% of the voting rights in a company or where a person becomes the holder of more than 20% of the voting rights in a manner permitted by the Code.

A code offer, which can either be a full offer or a partial offer, must be extended to all holders of voting securities in the Company. The Code also contains compulsory purchase and sale provisions if more than 90% of the shares are acquired under an offer.

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## COMPANY DIRECTORY

### CHAIRMAN

G. L. Cundle §□

### MANAGING DIRECTOR

C.K. Daniells

### FINANCE DIRECTOR

A. Mistroni

### NON-EXECUTIVE DIRECTORS

P. J. Aitsi MBE □

L.M. Bromley \*§□

D. Cox OL, OBE \*□

J.B. Rae-Smith □

C. Kasou §

\* Member of the Audit Committee

§ Member of the Remuneration and Nomination Committee

□ Member of the Strategic Planning Committee

### SECRETARY

A. Mistroni

### REGISTERED OFFICE

Level 2, @345, Stanley Esplanade,  
Section 20, Allotments 3, 4 and 5  
Granville, Port Moresby, National Capital District  
Papua New Guinea

Telephone: +675 313 7400 / 79987000

P.O. Box 1

Port Moresby, National Capital District, 121  
Papua New Guinea

### AUDITORS

PricewaterhouseCoopers

P.O. Box 484

Port Moresby, NCD

Papua New Guinea

### SHARE REGISTRARS

Computershare Investor Services Pty Limited

GPO Box 2975

Melbourne VIC 3001

AUSTRALIA

Telephone: (Aus) 1300 85 05 05

(Overseas) +61 (0)3 9415 4000

Fax: +61 3 9473 2500

### STOCK EXCHANGE

Shares are listed on both the PNGX Markets Ltd  
and the Australian Securities Exchange Limited

### A. R. B. N.

055 836 952

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**STEAMSHIPS**  
TRADING COMPANY LIMITED

Level 2, @345, Stanley Esplanade, Section 20, Allotments 3, 4 and 5  
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