

Rule 5.13

Appendix 5C

Preliminary final report

Name of entity

Steamships Trading Company Limited

ABN or equivalent company reference

055836952

Half yearly
(tick)

Preliminary final (tick)

✓

Financial year ended ('current period')

31st December 2025

For announcement to the market

Extracts from this report for announcement to the market.

K'000

| | | | | |
|---|-----------------------------|-----------------------------|----|---------|
| Revenues from continuing operations | Up / down | 11.3% | to | 798,173 |
| Profit from continuing operations after tax | Up / down | 49.2% | to | 70,092 |
| Profit for the period attributable to members | Up / down | 46.3% | to | 67,060 |
| Dividends (distributions) | | | | |
| | Amount per security | Franked amount per security | | |
| Proposed final dividend | 65t* | 0t | | |
| Interim dividend | 40t | | | |
| Previous corresponding period | 40t | 0t | | |
| | 30t | | | |
| Record date for determining entitlements to the dividend, (in the case of a trust, distribution) | 24 th April 2026 | | | |

* Proposed final dividend, subject to Board approval

Preliminary Final Report to the Stock Exchange

The Group delivered a stronger 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.

The result reflects the benefits of the Group's continued investment in assets, technology and human capital in recent years. These strategic initiatives have strengthened operational capability and positioned the Group to drive improved performance across its core business activities.

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)

| | 2025 | 2024 | Change |
|--|----------------|-----------------|---------------|
| | K000's | K000's | |
| 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) | |
| Total impact of significant items | (1,759) | (13,938) | |
| 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 increased by 12.6% to K176.3 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.

Trading Performance

Hospitality

The Coral Sea Hotels division recorded results in line with forecast for the reporting period.

During the year, the Group undertook a planned multi-annual capital expenditure programme across its Port Moresby Hotels including the Gateway Hotel, Ela Beach Hotel and Grand Papua Hotel, comprising major refurbishment and upgrade works.

These initiatives are aimed at maintaining asset quality, improving operating efficiency and enhancing the long-term competitiveness of the portfolio.

Property

The Property Division delivered operating performance in line with forecast for the reporting period.

Key capital expenditure projects (Portside Business Park, Dobel, Downtown Plaza) continue to advance and are intended to support future growth.

Logistics

The Logistics Division delivered financial performance in line with expectations for the reporting period.

Activity levels were supported by favourable commodity pricing across selected agricultural products and mineral exports, contributing to steady throughput volumes during the year.

Ongoing investment in asset reliability and workforce capability supported operational continuity and efficiency, providing a measured contribution to the division's overall financial performance.

Commercial

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 maintains a positive but measured outlook for the year ahead.

While the Group continues to monitor potential opportunities associated with natural resources-related projects, capital allocation will remain disciplined.

The Group will continue to prioritise balance sheet strength, operational efficiency and prudent capital management in assessing growth opportunities.

Statement of comprehensive income

| | Current period - K'000 | Previous corresponding period - K'000 |
|---|---------------------------|--|
| Continuing Operations | | |
| Revenues | 798,173 | 717,380 |
| Other income | 22,892 | 29,643 |
| Operating Expenses | | |
| Cost of goods and services | (175,141) | (158,450) |
| Staff costs | (202,038) | (198,932) |
| Depreciation and amortisation | (123,932) | (113,468) |
| Electricity and fuel | (46,138) | (52,291) |
| Motor vehicle and vessel expenses | (35,709) | (33,106) |
| Security costs | (15,398) | (15,011) |
| Insurance | (8,362) | (7,914) |
| Finance costs – net | (6,382) | (6,118) |
| Other operating expenses | (113,531) | (98,453) |
| Share of net profits of associates and joint venture entities accounted for using the equity method | 8,011 | 6,141 |
| Profit from Operations Before Income Tax | 102,445 | 69,421 |
| Income tax expense | (32,353) | (22,429) |
| Profit from Continuing Operations | 70,092 | 46,992 |
| Total Comprehensive Income for the Year | 70,092 | 46,992 |
| Attributable to: | | |
| Shareholders | 67,060 | 45,838 |
| Non-controlling interests | 3,032 | 1,154 |
| | 70,092 | 46,992 |

| Earnings per share (EPS) | Current period (toea) | Previous corresponding period (toea) |
|---------------------------------|-----------------------|--------------------------------------|
| Basic and Diluted EPS | 216.3 | 147.8 |

| Comparison of half year profits | Current year - K'000 | Previous corresponding period - K'000 |
|--|----------------------|---------------------------------------|
| Consolidated profit from continuing operations after tax attributable to members reported for the <i>1st</i> half year | 24,840 | 25,271 |
| Consolidated profit from continuing operations after tax attributable to members for the <i>2nd</i> half year | 42,220 | 20,567 |

| Consolidated statement of financial position | As at 31 Dec 2025 K'000 | As at 31 Dec 2024 K'000 |
|---|----------------------------|----------------------------|
| Current assets | | |
| Cash and cash equivalents | 37,670 | 27,800 |
| Trade and other receivables | 202,213 | 159,987 |
| Income tax receivable | 8,580 | 14,329 |
| Inventories | 52,856 | 47,073 |
| Asset held for sale | - | 455 |
| Total current assets | 301,319 | 249,644 |
| Non-current assets | | |
| Investments | 75,585 | 51,562 |
| Property, plant and equipment | 843,852 | 832,366 |
| Investment properties | 445,708 | 409,061 |
| Intangibles | 76,433 | 76,433 |
| Due from related parties | 167,039 | 156,646 |
| Deferred tax assets | 8,065 | 4,880 |
| Total non-current assets | 1,616,682 | 1,530,948 |
| Total assets | 1,918,001 | 1,780,592 |
| Current liabilities | | |
| Trade and other payables | 99,945 | 138,482 |
| Lease liabilities | 2,344 | 2,280 |
| Provisions | 7,328 | 6,710 |
| Due to related parties | 3,318 | 2,305 |
| Borrowings | 170,530 | 71,725 |
| Total current liabilities | 283,465 | 221,502 |
| Non-current liabilities | | |
| Other payable | 25,405 | 29,414 |
| Lease liabilities | 52,256 | 53,496 |
| Deferred tax liabilities | 49,858 | 34,026 |
| Borrowings | 359,985 | 344,845 |
| Provision for other liabilities and charges | 13,723 | 12,386 |
| Total non-current liabilities | 501,227 | 474,167 |
| Total liabilities | 784,692 | 695,669 |
| Net assets | 1,133,309 | 1,084,923 |
| Equity | | |
| Share capital | 24,200 | 24,200 |
| Retained earnings | 1,088,579 | 1,043,225 |
| Shareholders' funds | 1,112,779 | 1,067,425 |
| Non-controlling interests | 20,530 | 17,498 |
| Total equity | 1,133,309 | 1,084,923 |

| Consolidated statement of changes in equity | Share Capital K'000 | Retained Earnings K'000 | Total K'000 | Non- controlling Interests K'000 | Total Equity K'000 |
|--|---------------------------|-------------------------------|------------------|---|-----------------------|
| Balance At 1 January 2024 | 24,200 | 1,028,395 | 1,052,595 | 17,028 | 1,069,623 |
| Total Comprehensive income 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 | 1,043,225 | 1,067,425 | 17,498 | 1,084,923 |
| Total Comprehensive income 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 | 1,088,579 | 1,112,779 | 20,530 | 1,133,309 |

Consolidated statement of cash flows

| | Current period K'000 | Previous corresponding period K'000 |
|---|-------------------------|---|
| Cash flows related to operating activities | | |
| Receipts from customers | 755,947 | 742,119 |
| Payments to suppliers and employees | (552,147) | (555,176) |
| Interest received | 5,992 | 11,932 |
| Interest and other costs of finance paid | (22,173) | (18,494) |
| Income taxes paid | (11,321) | (23,802) |
| Net operating cash flows | 176,298 | 156,579 |
| Cash flows related to investing activities | | |
| Purchases of property, plant and equipment | (201,579) | (231,122) |
| Proceeds from sale of property, plant and equipment | 21,690 | 14,021 |
| Dividends received from joint venture and associates | 4,500 | 8,058 |
| Loan repaid by a joint venture | - | 90,000 |
| Net loans issued to associated companies | (9,541) | (3,134) |
| Subscription of additional shares in a joint venture company | (20,873) | (48) |
| Net investing cash flows | (205,803) | (122,225) |
| Cash flows related to financing activities | | |
| Proceeds from borrowings | 193,000 | 120,000 |
| Repayment of borrowings | (127,902) | (120,000) |
| Lease repayments | (2,452) | (2,336) |
| Dividends paid | (21,706) | (31,692) |
| Net financing cash flows | 40,940 | (34,028) |
| Net increase in cash held | 11,435 | 326 |
| Cash at beginning of period <i>(see Reconciliation of cash)</i> | 26,235 | 25,909 |
| Cash at end of period <i>(see Reconciliation of cash)</i> | 37,670 | 26,235 |

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows.

| |
|----------------|
| Not applicable |
|----------------|

Reconciliation of cash

| Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current period K'000 | Previous corresponding period - K'000 |
|--|----------------------|---------------------------------------|
| Cash on hand and at bank | 37,670 | 27,800 |
| Bank overdraft | - | (1,565) |
| Total cash at end of period | 37,670 | 26,235 |

Other notes to the consolidated financial statements

| Ratios | Current period | Previous corresponding Period |
|--|----------------|-------------------------------|
| Profit before tax / revenue Consolidated profit from continuing operations before tax as a percentage of revenue | 12.83% | 9.68% |
| Profit after tax / equity interests Consolidated net profit from continuing operations after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period | 6.03% | 4.29% |

Earnings per security (EPS)

Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of *IAS 33: Earnings Per Share* are as follows.

| |
|--|
| 216.3 toea per share (continuing operations) |
|--|

| NTA backing | Current period | Previous corresponding period |
|--|----------------|-------------------------------|
| Net tangible asset backing per ordinary security | K34.08 | K32.52 |

Loss of control of entities having material effect

| | |
|--|---|
| Name of entity (or group of entities) | Not applicable, the loss of control of Hebam Transport Limited has no significant impact to the Group |
| Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control | not applicable |
| Date to which the profit (loss) in item 14.2 has been calculated | not applicable |
| Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period | not applicable |
| Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control | not applicable |

Dividends (in the case of a trust, distributions)

| | |
|---|-----------------|
| Date the dividend (distribution) is payable | 26th June 2026 |
| Record date to determine entitlements to the dividend (distribution) (i.e., on the basis of proper instruments of transfer received by 5.00 pm if securities are not CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHES approved) | 24th April 2026 |
| If it is a final dividend, has it been declared? | No |

Amount per security

| | | Amount per security | Franked amount per security at 42% tax (see note 4) | Amount per security of foreign source dividend |
|--------------------------|---------------|---------------------|---|--|
| Final dividend: | Current year | 65t | NIL | 65t |
| | Previous year | 30t | NIL | 30t |
| Interim dividend: | Current year | 40t | NIL | 40t |
| | Previous year | 40t | NIL | 40t |

Total dividend (distribution) per security (interim *plus* final)

| | Current year | Previous year |
|-----------------------|--------------|---------------|
| Ordinary securities | K1.05 | K0.70 |
| Preference securities | NIL | NIL |

Preliminary final report - final dividend (distribution) on all securities

| | Current period K'000 | Previous corresponding period - K'000 |
|--------------------------|----------------------|---------------------------------------|
| Ordinary securities | 20,155 | 9,302 |
| Preference securities | Nil | Nil |
| Other equity instruments | Nil | Nil |
| Total | 20,155 | 9,302 |

The dividend or distribution plans shown below are in operation.

Not applicable

The last date(s) for receipt of election notices for the dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions).

None

Details of aggregate share of profits (losses) of associates and joint venture entities

| Group's share of associates' and joint venture entities': | Current period - K'000 | Previous corresponding period - K'000 |
|--|---------------------------|---|
| Profit (loss) from ordinary activities before tax | 11,444 | 8,773 |
| Income tax on ordinary activities | (3,433) | (2,632) |
| Profit (loss) from ordinary activities after tax | 8,011 | 6,141 |
| Extraordinary items net of tax | - | - |
| Net profit (loss) | 8,011 | 6,141 |
| Adjustments | - | - |
| Share of net profit (loss) of associates and joint venture entities | 8,011 | 6,141 |

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

| <i>Name of entity</i> | Percentage of ownership interest held at end of period or date of disposal | | Contribution to net profit (loss) (<i>item 1.10</i>) | |
|---|--|-------------------------------------|---|--|
| | Current period | Previous corresponding period | Current period K'000 | Previous corresponding period K'000 |
| Equity accounted associates and joint venture entities | | | | |
| a) Colgate-Palmolive (PNG) | 51.0 | 51.0 | 4,530 | 3,399 |
| b) Pacific Rumana | 50.0 | 50.0 | 858 | 768 |
| c) Riback Stevedoring | 49.0 | 49.0 | - | - |
| d) Makerio Stevedoring | 45.0 | 45.0 | 224 | 64 |
| e) Nikana Stevedoring | 45.0 | 45.0 | 594 | 205 |
| f) Gulf Maritime Services | 47.5 | 47.5 | (12) | - |
| g) Harbourside Development | 50.0 | 50.0 | - | - |
| h) Viva No. 31 | 50.0 | 50.0 | 141 | 69 |
| i) Wonye | 50.0 | 50.0 | 1,432 | 1,487 |
| j) Wonye No. 2 | 50.0 | 50.0 | 256 | 149 |
| k) Hebam Transport | 49.0 | 100.0 | (12) | - |
| Total | | | 8,011 | 6,141 |
| Other material interests | | | - | - |
| Total | | | 8,011 | 6,141 |

Issued and quoted securities at end of current period

| Category of securities | Total number | Number quoted | Issue price per security (toea) | Amount paid up per security (toea) |
|--|--------------|---------------|---------------------------------|------------------------------------|
| Preference securities <i>(description)</i> | | | | |
| Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions | | | | |
| Ordinary securities | 31,008,237 | 31,008,237 | N/A | N/A |
| Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks | | | | |
| Convertible debt securities <i>(description and conversion factor)</i> | | | | |
| Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| Options <i>(description and conversion factor)</i> | | | <i>Exercise price</i> | <i>Expiry date (if any)</i> |
| Issued during current period | | | | |
| Exercised during current period | | | | |
| Expired during current period | | | | |
| Debentures <i>(description)</i> | | | | |
| Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted | | | | |

| | | |
|--|--|--|
| <p>Unsecured notes <i>(description)</i></p> <p>Changes during current period</p> <p>(a) Increases through issues</p> <p>(b) Decreases through securities matured, converted</p> | | |
|--|--|--|

Segment reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with *IFRS 8: Segment Reporting* and for half year reports, *IAS 34: Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity’s accounts should be reported separately and attached to this report.)
Refer attachment page 18.

Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by *IAS 34: Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)

Basis of financial report preparation

Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

Refer to comments below.

A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

Nil

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

Nil

Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *IAS 34: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *IAS 1: Presentation of Financial Statements*).

Nil

Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year.

Nil

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report.

Please refer to Note 1 of this report

Additional disclosure for trusts

Number of units held by the management company or responsible entity or their related parties.

N/A

A statement of the fees and commissions payable to the management company or responsible entity.

N/A

Identify:

- initial service charges
- management fees
- other fees

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

| | |
|--|--|
| Place | @345 Building Allotments 3, 4 and 5, Section 20 Champion Parade, Granville, Port Moresby, National Capital District, Papua New Guinea |
| Date | 26th May 2026 |
| Time | 12.00 noon |
| Approximate date the annual report will be available | 13th April 2026 |

Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

Identify other standards used

| |
|---|
| International Financial Reporting Standards |
|---|

- 2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed (see note 2).
- 4 This report is based on accounts to which one of the following applies.

| |
|---|
| |
| √ |

The accounts have been audited.

The accounts are in the process of being audited or subject to review.

| |
|--|
| |
| |

The accounts have been subject to review.

The accounts have *not* yet been audited or reviewed.

- 5 The preliminary final report is based on accounts that are unaudited.
- 6 The entity has a formally constituted audit committee.



A. Mistrone
Director



C.K. Daniells
Director

27th February 2026

Segmental Reporting

Divisional Segments

The group operates in the following commercial areas:

| | Property and Hospitality | Logistics | Commercial and Investment | Total |
|--|-------------------------------------|------------------|--------------------------------------|--------------|
| | K'000 | K'000 | K'000 | K'000 |
| 2025 | | | | |
| External revenue and other income | 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 | (61,549) | 94,435 |
| Add: Share of associate and joint venture profit | - | - | 8,011 | 8,011 |
| Income tax (expense) / credit | (36,052) | (10,743) | 14,442 | (32,353) |
| Total segment result | 84,123 | 25,066 | (39,096) | 70,093 |
| Segment assets | 860,165 | 839,500 | 218,336 | 1,918,001 |
| Segment liabilities | (205,552) | (401,849) | (177,291) | (784,692) |
| Net assets | 654,613 | 437,651 | 41,045 | 1,133,309 |
| 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) |

| | Property and Hospitality | Logistics | Commercial and Investment | Total |
|--|-------------------------------------|------------------|--------------------------------------|------------------|
| | K'000 | K'000 | K'000 | K'000 |
| 2024 | | | | |
| External revenue and other income | 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 |
| Add: Share of associate and joint venture profit | - | - | 6,141 | 6,141 |
| Income tax (expense) / credit | (36,985) | 2,018 | 12,538 | (22,429) |
| Profit / Loss from operations | <u>86,297</u> | <u>(4,710)</u> | <u>(34,595)</u> | <u>46,992</u> |
| Segment assets | 781,400 | 577,367 | 421,825 | 1,780,592 |
| Segment liabilities | <u>(104,140)</u> | <u>(382,718)</u> | <u>(208,811)</u> | <u>(695,669)</u> |
| Net assets | <u>677,260</u> | <u>194,649</u> | <u>213,014</u> | <u>1,084,923</u> |
| 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) |

1. 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.

2. Other Income

Other income relates to net insurance proceeds and net gain on property sale.

3. Basis of Accounting

There were no changes in significant accounting policies and these were consistently applied in the current year.

4. Income Tax Expense

The effective rate of tax charged differs from the statutory rate of 30% as follows;

| | Current period K'000 | Previous corresponding period K'000 |
|--|-------------------------------------|--|
| Net profit before income tax | 102,445 | 69,421 |
| Prima facie tax on profit before income tax at 30% | (30,733) | (20,826) |
| Tax on non-assessable income | 2,403 | 1,842 |
| Unrecognised deferred tax asset on tax losses | (1,754) | (1,133) |
| Adjustments in tax from prior years | (1,599) | (1,479) |
| Tax on non-deductible expenses | (670) | (833) |
| | <u>(32,353)</u> | <u>(22,429)</u> |

5. Borrowings

On 10th December 2025, the shareholders approved the increase of facilities from K605 million to K800 million through Extraordinary General Meeting.

As of 31st December 2025, K140 million of bank facilities with Westpac Bank PNG Limited (Westpac) maturing on 31 August 2026 were under execution and as such have been classified as current liabilities.

6. Subsequent events

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