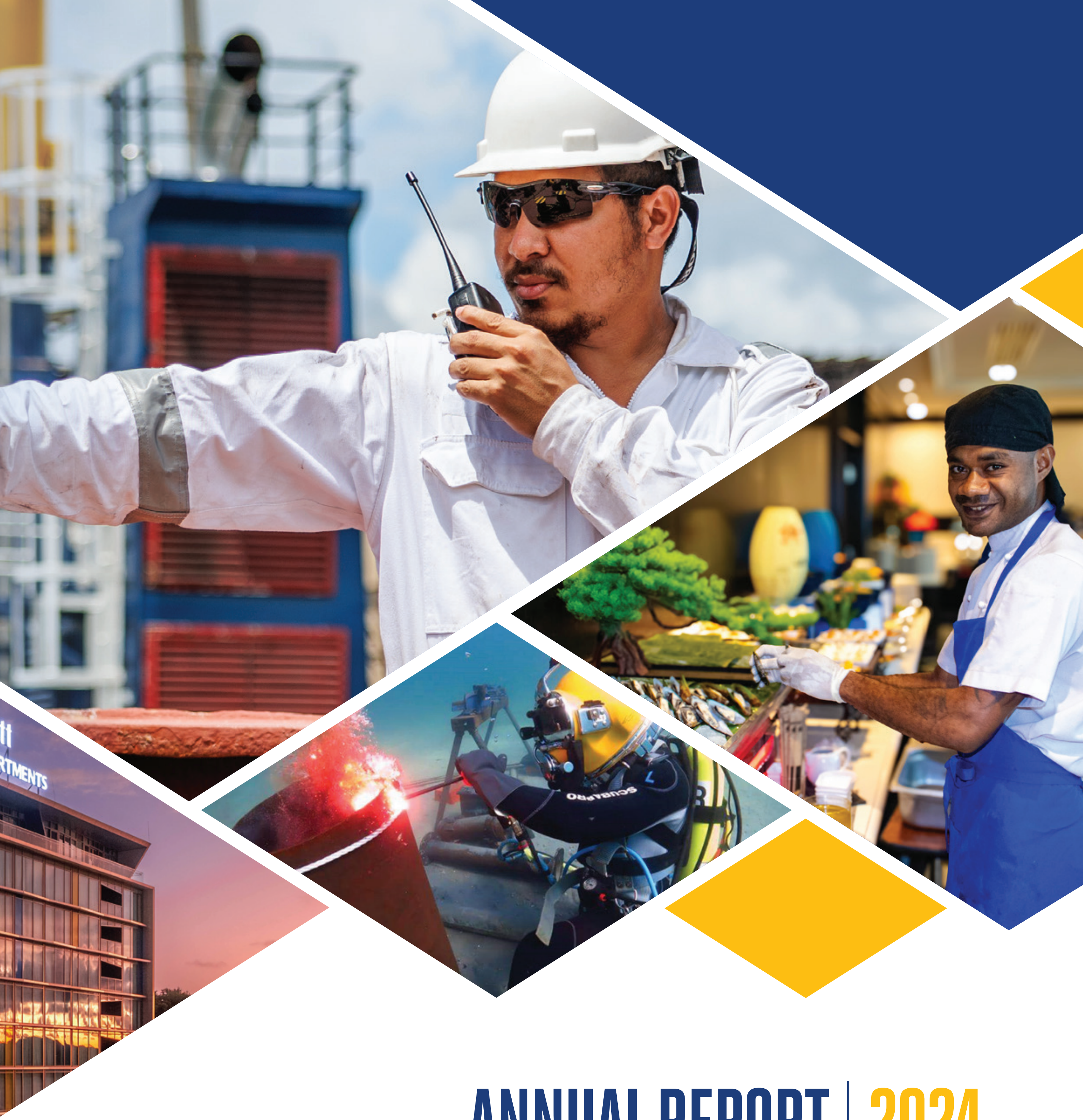


ANNUAL REPORT | 2024

STEAMSHIPS
TRADING COMPANY LIMITED


106
106


Marriott
EXECUTIVE APARTMENTS
SIDE SOUTH

CONTENTS

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 and PNG's National Stock Exchanges.

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.

The Group employs over 3,365 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:

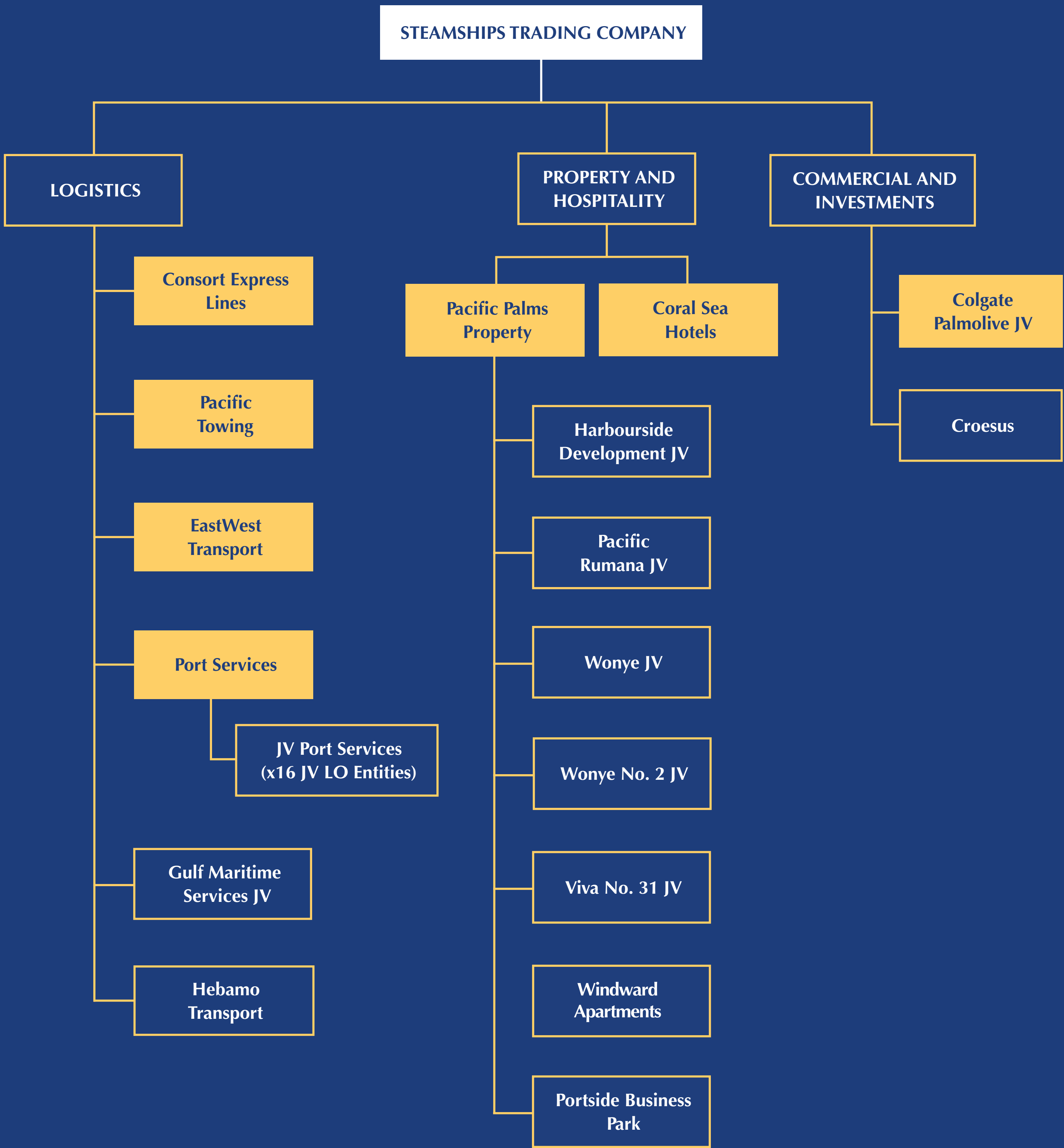
- Safety – We prioritise safety awareness and compliance to ensure our business operations are conducted safely.
- Integrity – Taking the more ethical and honest path; honouring our commitments and delivering on our promises; creating a bond of trust that sustains relationships with our staff, customers, 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.
- 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.

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

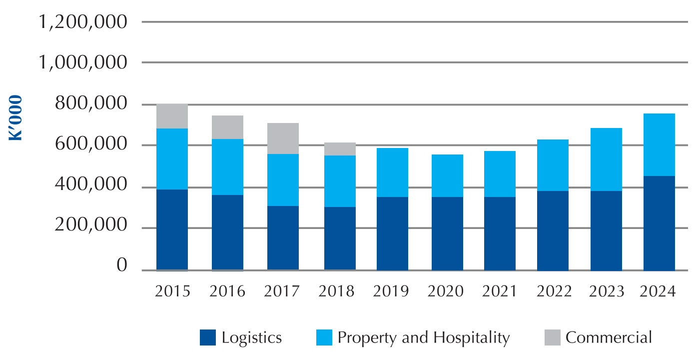
STEAMSHIPS' ORGANISATIONAL STRUCTURE



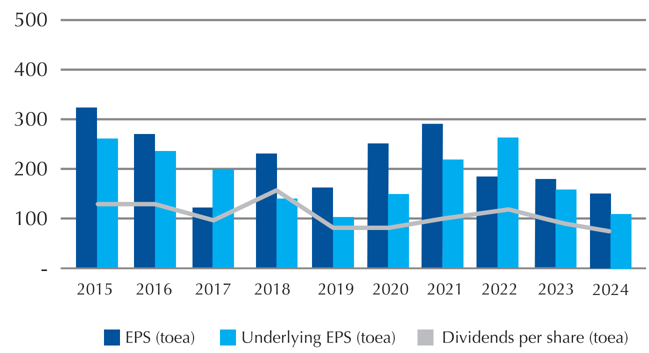
FINANCIAL HIGHLIGHTS

2024 FINANCIAL HIGHLIGHTS	2024 K'000	2023 K'000	Change %
Revenue and other income from continuing operations	747,023	669,296	12%
Profit attributable to shareholders	45,838	58,144	-21%
Cash generated from operations	156,579	103,559	51%
Net cash inflow / (outflow) before financing	34,354	(145,255)	-124%
Shareholders' funds	1,067,425	1,052,595	1%
External borrowings	418,875	420,218	0%
Earnings per share (toea)	147.8	187.5	-21%
Dividends per share (toea)	70	95	-26%
Shareholders' funds per share	34.42	33.95	1%
Underlying profit attributable to shareholders (Refer to page 9)	31,900	50,240	-37%
Underlying earnings per share	103	162	-37%
Gearing ratio	26.5%	26.8%	-1%
Interest cover	12.3	52.1	-76%
Dividend cover	1.5	1.8	-17%

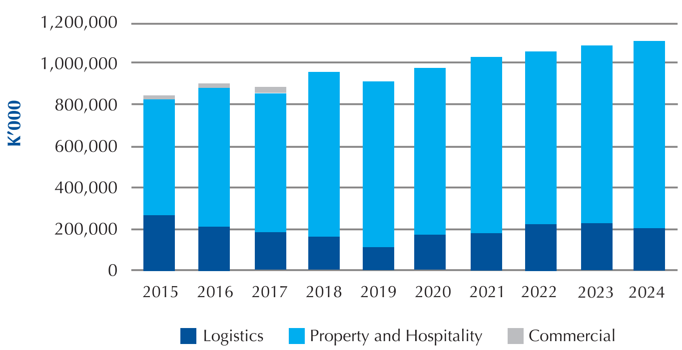
Turnover K'000



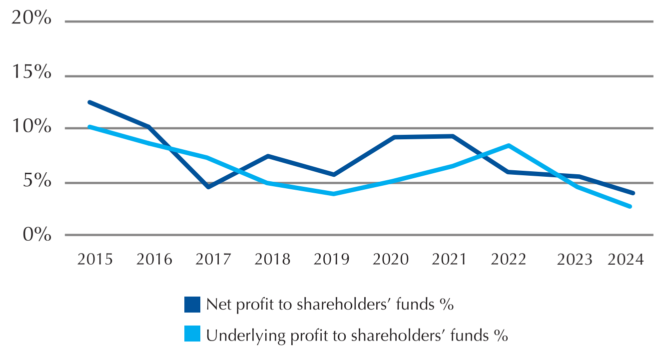
Earnings and Dividends Toea



Net Assets Employed K'000



Return to Shareholders



FINANCIAL HIGHLIGHTS

SUMMARY OF PAST PEFORMANCE

	2015 K'000	2016 K'000	2017 K'000	2018 K'000	2019 K'000	2020 K'000	2021 K'000	2022 K'000	2023 K'000	2024 K'000
STATEMENTS OF COMPREHENSIVE INCOME (including discontinued operations)										
Revenue	773,535	732,701	705,687	648,106	585,168	540,406	563,929	631,262	669,296	747,023
Profit before tax	136,042	118,686	62,686	112,493	61,284	63,813	88,248	79,786	77,103	63,280
Share of associates profit	3,062	5,865	7,525	5,628	5,010	4,026	5,062	6,288	7,286	6,141
Income tax (expense) / credit	(37,710)	(35,677)	(32,621)	(54,420)	(18,928)	11,198	(1,694)	(26,633)	(25,722)	(22,429)
Minority interests	(2,415)	(4,664)	3,926	5,828	2,629	(182)	(1,066)	(1,456)	(523)	(1,154)
Net profit attributable to shareholders	**98,979**	**84,210**	**41,516**	**69,529**	**49,995**	**78,855**	**90,550**	**57,985**	**58,144**	**45,838**
Equity adjustment	2,206	-	-	-	-	-	2,950	-	-	-
Dividends paid or provided for the year	(48,062)	(40,291)	(32,559)	(26,357)	(44,962)	(17,055)	(35,659)	(35,659)	(32,559)	(31,008)
Earnings retained this year	**53,123**	**43,919**	**8,957**	**43,172**	**5,033**	**61,800**	**57,841**	**22,326**	**25,585**	**14,830**
Underlying profit attributable to shareholders (adjusted for significant items)	**80,651**	**71,721**	**61,775**	**43,304**	**31,505**	**36,927**	**67,081**	**76,075**	**50,240**	**31,900**
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	764,887	808,806	817,764	896,105	860,843	922,643	980,484	1,002,810	1,028,395	1,043,225
Shareholders' funds	**789,087**	**833,006**	**841,964**	**920,305**	**885,043**	**946,843**	**1,004,684**	**1,027,010**	**1,052,595**	**1,067,425**
Non-controlling interests	47,515	48,831	36,190	19,723	17,747	16,983	16,245	17,059	17,028	17,498
EQUITY	**836,602**	**881,837**	**878,154**	**940,028**	**902,790**	**963,826**	**1,020,929**	**1,044,069**	**1,069,623**	**1,084,923**
Fixed assets / investment properties	1,072,955	1,068,892	997,125	890,576	970,928	945,075	933,983	947,451	1,073,933	1,241,427
Investments in associated companies	36,458	66,445	67,196	65,276	41,586	36,992	39,367	45,458	45,495	51,562
Future income tax benefit	36,914	36,680	30,250	1,683	2,311	1,010	2,571	2,020	4,627	4,880
Goodwill	80,491	80,491	80,002	76,433	76,433	76,433	76,433	76,433	76,433	76,433
Other assets	400,480	284,200	294,800	470,810	360,385	428,703	464,635	444,331	501,242	406,290
TOTAL ASSETS	**1,627,298**	**1,536,708**	**1,469,373**	**1,504,778**	**1,451,643**	**1,488,213**	**1,516,989**	**1,515,693**	**1,701,730**	1,780,592
Current liabilities	541,292	184,646	221,560	352,541	148,286	229,779	198,688	359,424	152,295	221,502
Non-current liabilities	249,404	470,225	369,659	212,209	400,567	294,608	297,372	112,200	479,812	474,167
TOTAL LIABILITIES	**790,696**	**654,871**	**591,219**	**564,750**	**548,853**	**524,387**	**496,060**	**471,624**	**632,107**	**695,669**
NET ASSETS	**836,602**	**881,837**	**878,154**	**940,028**	**902,790**	**963,826**	**1,020,929**	**1,044,069**	**1,069,623**	**1,084,923**
RATIOS										
Current assets to current liabilities	0.74	1.16	1.00	1.15	1.83	1.40	1.42	0.68	1.70	1.93
Borrowings to shareholders funds	81.7%	57.0%	50.2%	39.7%	35.4%	32.1%	26.1%	25.6%	39.9%	38.6%
Gearing	43.1%	34.6%	33.1%	28.2%	19.5%	13.7%	16.5%	16.7%	26.8%	27.1%
Tangible net asset backing per share (Kina)	24.38	25.84	25.74	27.85	26.65	28.62	30.46	31.21	32.03	32.52
Net profit to revenue %	12.8%	11.5%	5.9%	11.1%	8.5%	14.6%	16.0%	9.2%	8.7%	6.1%
Net profit to shareholders' funds %	12.5%	10.1%	4.9%	7.6%	5.6%	8.3%	9.0%	5.6%	5.5%	4.3%
Underlying profit to shareholders' funds %	10.2%	8.6%	7.3%	4.7%	3.6%	3.9%	6.7%	7.4%	4.8%	3.0%
Dividends per share (toea)	155	130	110	165	80	80	100	120	95	70
EPS (toea)	319.0	272.0	134.0	224.0	161.0	254.0	292.0	187.0	187.5	147.8
Underlying EPS (toea)	260	231	199	140	102	119	218	245	162	103
Earnings retained %	53.7%	52.2%	21.6%	62.1%	10.1%	78.4%	63.9%	38.5%	44.0%	32.4%

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 faced a challenging operating environment in 2024, with underlying economic fundamentals remaining subdued. Inflationary pressures and limited foreign exchange availability presented ongoing challenges. Steamships, despite such challenges, continued its commitment to strategic investment in order to secure future sustainable growth. Geoff Cundle, Chairman.

The broader economic landscape in 2024 was characterised by sluggish growth, sustained inflationary pressure and delays in natural resources projects.

Demand for Logistics services as well as Properties was steady, however, Hospitality revenue has been facing headwinds consistent with the market sector.

The Group achieved a significant milestone in the first quarter with the opening of Harbourside South, its flagship mixed-use development featuring Marriott Executive Apartments. This development has enhanced the profile of the downtown Harbourside precinct whilst introducing Grade A office space and premium retail offering to the market.

Group Revenue grew by 9.3% in 2024, driven by its Logistics and Property divisions.

Profit attributable to shareholders decreased by 21.2% to K45.8m: the considerable investment in both human capital and assets that commenced in 2023 carried through into 2024, further impacting margins and weighing on profitability. This strategic investment was crucial to developing workforce skills and strengthening assets in preparation for the anticipated resources boom.

Underlying profit (before exceptional items) however, declined 36.5% from 2023 to K31.9m.

Revenue from the Property division was supported by steady demand across its portfolio; the acquisition of Portside Business Park, along with the completion of renovation works on key residential properties in Port Moresby and Lae, expanded the division's inventory and market leading offering and will position the business for the anticipated demand growth. Properties continues to invest in people and technology to support its major developments and planned growth in the coming years.

The Hospitality sector faced a challenging market environment in 2024, marked by pricing pressures and a slowdown in overseas visitors. However, a strong emphasis on cost control and operational efficiencies helped offset the impact on revenue. The division will undergo several key renovation projects in 2025 to maintain its competitive position.

Logistics, mainly comprising shipping, trucking, depot and sundry marine services, remains competitive and prone to both local and international inflationary pressures. The investment in additional sea and land assets as well as management capabilities generated an improved performance in the second half despite lacklustre market growth and absence of new resource projects.

I am very sad to report that two of our colleagues suffered a fatal incident earlier this year. Our priority objective is, and will always be, the pursuit of zero harm. The tragic

CHAIRMAN'S REPORT

loss of two colleagues is a powerful reminder of the need to maintain a relentless commitment to continuous improvement in developing our safety culture.

With a strategic focus on long-term, sustainable growth, Steamships remains committed to a longer term perspective in developing its capabilities to serve the PNG market. In 2024, the Group continued its substantial investments across its Property, Hospitality, and Logistics divisions, ensuring it is well-equipped to capitalize on future growth opportunities and upcoming projects.

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

Steamships navigated a difficult operating landscape in 2024. The macroeconomic environment was lacklustre, characterised by continuing inflation, limited foreign exchange availability and lack of key natural resources projects which represent key drivers of demand across the nation.

From a top line perspective, the Group was able to balance softer demand for its Hospitality services with stronger revenue performance from Properties and Logistics.

To support its long-term strategic outlook, the Group continued its significant investment in management resources, sea and land-based assets and equipment to position itself for the incoming growth.

Steamships' sales revenue, on a continuing basis, increased 9.3% to K717.4 million against last year's K656.3 million, with improved revenue across the various businesses. Underlying profit fell by 36.5% year-on-year, reflecting a higher pressure on margin from investment in human capital and assets.

Depreciation in 2024 was K113.5 million against K104.5 million in 2023, and interest expense on net borrowings (excluding capitalised interest) was K6.1 million against K1.7 million in 2023. Capital expenditure for the year was K231.1 million against K222.8 million in 2023.

The Group's net operating cash flow generation increased by 29.6% to K134.3 million against K103.6 million in 2023. The cash balance at year end is K3.9 million.

A final dividend of 30 toea per share has been proposed and will be paid following approval at the Board of Directors meeting on 20th June 2025, 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 70 toea per share (2023: 95 toea per share). The dividend is unfranked and there is no conduit foreign income.

DIRECTORS' REVIEW

	2024 K000's	2023 K000's	Change
Net profit attributable to shareholders	**45,838**	**58,144**	**(21.2%)**
Add / (Less) impact of significant items (post tax and minority interest)			
Net insurance claim settlement income – property damages	(11,954)	-	
Gain on disposal of assets	(8,575)	-	
ERP implementation expensed	6,591	-	
Blaikie insurance claim settlement	-	(7,904)	
Total impact of significant items	**(13,938)**	**(7,904)**	
Underlying profit attributable to shareholders	**31,900**	**50,240**	**(36.5%)**

Significant items

January 10 events resulted in significant damage to some of Steamships properties in Port Moresby. The Group was insured for the property damage as well as loss of revenue, lodged a claim with its insurer and received proceeds from the claim.

Steamships was successful in disposing its North Waigani property in 2024 with a gain of K8.6m on sale.

Steamships has embarked on a journey of digital transformation to support its data driven decision making through investment in a new Enterprise Resource Planning platform, Microsoft Dynamics 365, with full implementation due to be completed in by Q1 2026; the investment cost in 2024 has been itemised as a significant item due to its materiality.

The details are as follows:

	K'000
Net insurance claim settlement income – property damages	17,077
Gain on disposal of assets	12,250
ERP implementation expensed	(9,416)
Less Tax effects	(5,973)
Total	13,938

DIRECTORS' REVIEW

Coral Sea Hotels

Coral Sea Hotels (CSH) delivered a solid performance across its portfolio, maintaining overall profitability despite challenges from lower average room night rates, particularly in Port Moresby's softer market. A slight decline in revenue compared to the previous year was offset by lower operating costs.

Pacific Palms Property

The launch of the Harbourside South development - featuring a mix of office, retail, and serviced apartments, including the Marriott Executive Apartments - has strengthened Pacific Palms Property's (PPP) position as the premier destination for luxury accommodation, premium office space, and high-end retail, attracting blue-chip organisations.

Demand for premium commercial and residential properties remains strong, and renovations on PPP's new luxury residential offerings at Whittaker Apartments (Port Moresby) and Blaikie Apartments (Lae) have been completed. This expansion enhances PPP's offering and capacity within this niche but high quality segment.

Logistics

While the Logistics division recorded year-on-year top-line growth, cost pressures and continued supply chain disruptions resulted in bottom-line performance falling short of expectations.

Significant investments in logistics assets, workforce development, and fleet maintenance have placed pressure on margins. However, these investments are yielding positive outcomes in terms of improved reliability and better customer service. The expansion of marine assets, shore-side equipment, and personnel is laying a strong foundation for future growth, positioning the business to capitalise on the upcoming resource boom.

Commercial

Colgate-Palmolive (PNG) Limited, a PNG incorporated joint venture, was unfavorably affected by the events that occurred on January 10 as most customers took a conservative approach to stockholdings; although overall financial performance was slightly weaker than prior year, the last quarter showed improvement in volumes year on year across most product categories signals promising momentum for the year ahead.

Trading Outlook

The reopening of Porgera, the signing of the Pasca A Gas Agreement and the announcement around a PNG Team joining the NRL in 2028 has generated some optimism. There is an expectation that natural resources projects will gain traction from the 2nd half 2025 and will provide a boost in what has been a relatively unremarkable macro-economic environment.

Steamships will maintain a cautious approach to committing capital to project related activity until final investment decision is reached.

Compliance with Laws and Regulations

At Steamships we always aim to do the right thing, in the right way and we make compliance and business integrity non-negotiable.

For the 2024 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 Group were declared and refrained from voting on manners 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 Group'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 also has scheduled services to the North Coast, South Coast, New Guinea Islands, Bougainville, and Western Province. CEL proudly serves the people of PNG by providing an important supply link to many of the communities on its routes. CEL carries a range of cargoes including containerised, break-bulk, reefer, LCL and project cargo. CEL transports cargo for a diverse customer base from domestic manufacturers and wholesalers to international liner carriers transhipping 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 develops, implements, 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's liner performance in 2024 showed top line growth compared to prior year largely as a result of increased capacity.

In the second half of the year, significant efforts were dedicated to enhancing fleet reliability, establishing a fleet management team, and strengthening customer engagement. These initiatives have delivered substantial positive results, positioning CEL for sustainable growth.

There is renewed optimism within the logistics market that resource projects will materialise in early 2026, increasing demand on both its core liner network and also for project and chartering activity. CEL looks to differentiate itself through investment in modern technological and fleet management systems as a comprehensive liner network and tailored customer solutions through its integrated logistics services.

REVIEW OF OPERATIONS - LOGISTICS

PACIFIC TOWING

Pacific Towing is PNG's leader in the provision of a diverse range of marine services, enjoying a reputation for excellence and reliability across the region.

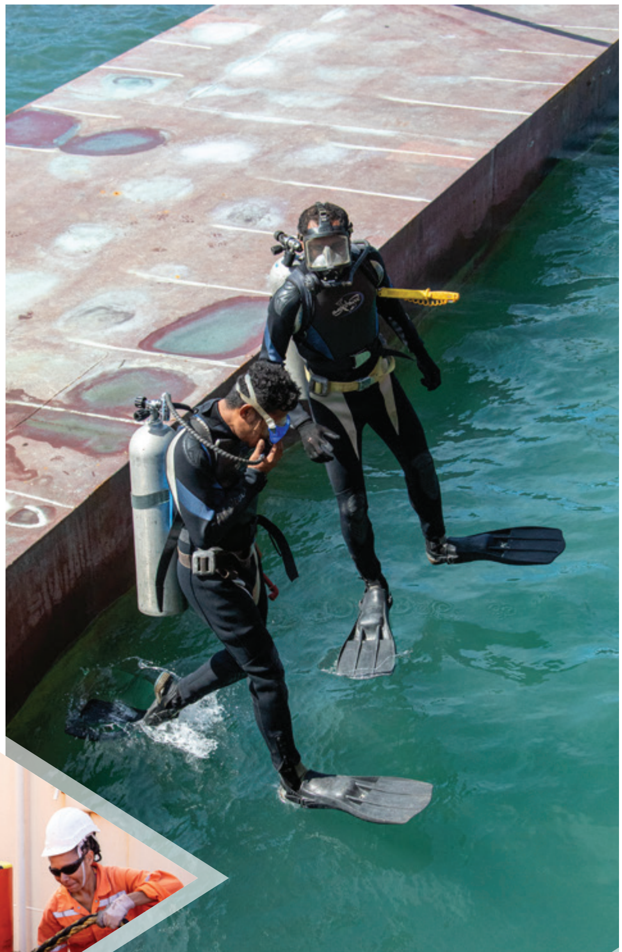
Pacific Towing is a full member of the International Salvage Union and the International Spill Control Organisation. Core services include towage, mooring, salvage and commercial diving. Although primarily operating in PNG waters, Pacific Towing also services a broader area, if required, for salvage activity or ad-hoc towing services.

Pacific Towing operates a fleet of 20 vessels (10 tugs and 10 associated support vessels including the divers tender). Vessels are in five ports across PNG (being Port Moresby, Lae, Rabaul, Kimbe and Madang) and in Honiara, Solomon Islands. Pacific Towing is the only marine services and towage company in PNG to be ISO accredited for Quality, Safety and Environment.

Both harbour towage as well as salvage activities increased compared to prior year, underpinning growth in Pacific Towing's performance.

Developing local talent remain the key strategic pillar supporting Pacific Towing operations, with continuous investment in training and recruitment of cadets.

Pacific Towing is committed to a re-fleeting programme that will phase out older tugs and will lead to incremental investment in assets over the next few years.



REVIEW OF OPERATIONS - LOGISTICS

JOINT VENTURE PORT SERVICES

Joint Venture Port Services (JVPS) operate 16 stevedoring and cargo handling businesses throughout the country including in the principal ports of Port Moresby and Lae, secondary ports elsewhere on the mainland and on Bougainville, New Ireland and New Britain.

With a fleet of specialist equipment, the businesses handle all types of containers, as well as 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 performed in line with expectation.

Ensuring a secure, dependable, and cost-efficient service for all customers has been a key priority. Security measures have been further strengthened through the integration of technology, including advanced cargo tracking.

The Joint Venture Hire company, which hires out heavy machinery on wet and dry leases, continued to provide a reliable service to all ports and to external customers. In 2025, the focus will be on safety, operational excellence and fleet availability.

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.

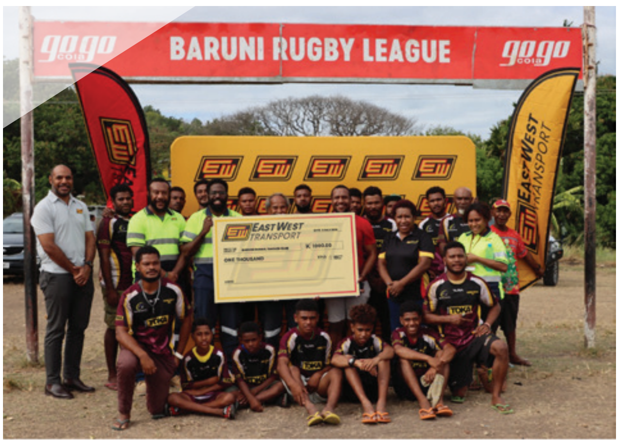
Based in Port Moresby, EWT has operations in Lae, Kimbe, Rabaul, Madang, Wewak, Alotau, and Kavieng. EWT has a sizable fleet of prime movers, heavy and light trucks, forklifts and reach stackers ranging from 2.5 to 80 tons in capacity. All equipment is supported by localised workshop facilities, safety 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 also offers a licensed customs cargo clearance service in Lae and Port Moresby with the ability to clear cargo in any location where EWT has a presence. The division capitalises on its close relationships with sister companies in shipping and stevedoring by offering specialised end-to-end and door-to-door logistics and project solutions for the mining, oil and gas sectors and new or existing commercial sectors.

Market competitiveness in General Transport as well as a relatively unstable fuel market meant that EWT faced significant challenges to its profitability in 2024.

Fleet availability and on-time delivery showed significant improvement compared to prior year, reflecting in an overall improved financial performance, though still somehow below management expectations.

Investment in new assets as well as management capabilities is expected to deliver significant improvements in 2025.



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.

Port Moresby's hotel market continues to face an oversupply of rooms. Competitive pressure on average room rates remained high in 2024, a year characterised by a lack of significant diplomatic visits that tend to provide a boost in demand. The performance of the hotels outside Port Moresby in the regional centres were solid.

The focus on operational efficiencies compensated for an unremarkable top line performance; the division continues to invest in training and recruiting the best people as well as expanding its premium F&B offerings.

CSH aims to prioritise delivering reliable, high-quality, and affordable hospitality across its hotels and restaurants. In line with this commitment, Coral Sea Hotels will invest heavily in 2025 to upgrade its properties throughout Papua New Guinea in order to refresh both its 5-star product offering at the Grand Papua Hotel in Port Moresby, its mid-scale product across the country and elevate the overall guest experience.

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 continued its growth trajectory, underpinned by a high-quality diversified portfolio of residential, commercial, industrial and retail properties.

The completion of Blaikie (Lae) and Whittaker (Port Moresby) residential properties will add further inventory to its premium residential offering in both towns.

Significant progress was made with Dobel Shopping Centre, Mount Hagen's first large scale, mixed-used development with construction expected to start in early 2025.

Infrastructure construction on Portside Business Park started towards the end of 2024 and is expected to be completed in late 2025.

PPP continues its commitment to investing in green technology and green building standards in all its developments. With its existing portfolio of ready for occupancy properties and its landbank of properties with secure titles in key strategic locations, PPP is well positioned to benefit from an uptick in demand for real estate once the resource projects ramp-up.

SUSTAINABILITY

Steamships' commitment to Sustainable Development has been underpinned by the resolution of the Board of Directors that the Group will achieve net zero emissions across all three scopes by 2050. This is an ambitious target for a diverse conglomerate operating in an emerging market, but one that we see as imperative as we support PNG to achieve its corresponding national development goals.

In a world where environmental concerns are increasingly influencing business operations, we remain dedicated to navigating the challenges and opportunities posed by climate change. Our commitment includes taking practical steps to decarbonise our operations and setting ambitious, science-based targets to achieve net zero emissions by 2050, with interim milestones along the way, all in alignment with our THRIVE sustainability pillars: Climate, Waste, Water, People, and Community.

We continue our efforts to improve our environment stewardship on a day-to-day basis. Actively engaging in various Environmental, Social and Governance (ESG) forums and technical working groups is essential for aligning our business with evolving policy and regulatory developments. Given that Steamships operates across three distinct industries, this alignment is crucial. While our Property and Hospitality divisions have more opportunities for decarbonization, our Shipping division is faced with some considerable challenges given the technological and regulatory hurdles it faces. Nonetheless, we continue to explore innovative solutions and collaborate with industry stakeholders to drive progress.

Key Achievements:

In 2024, our emissions performance saw a modest increase of 1% in Scope 1 emissions compared to 2023. Scope 2 emissions rose by 13%, driven by the expansion of our property portfolio. Although our Scope 3 emissions are primarily based on secondary data, we have now begun tracking emissions from all business air travel, which are measured annually and offset.

Our safety performance was reflected by both improvements and challenges. We observed a positive downward trend in major injuries (LTIs), which decreased by 5 incidents and minor injuries dropping from 19 to 10, reflecting our ongoing safety efforts. Near Miss reports reduced from 1646 to 1325, indicating improved hazard management and a shift in our safety reporting culture from "Target 2," which focused on Near Miss statistics, to a more quality driven approach to hazard reporting. Regrettably, Steamships experienced 2 fatalities during the year, prompting a reassessment of our strategy and the application of rigorous action and a wide-spread campaign across the business on critical areas and initiatives that will support our Safety journey. With the launch of our revised strategy, "Safety First, Safety Always," we aim to incorporate safety programmes that drive a culture of behavioural change towards achieving zero harm.

Promoting awareness and education among employees continues to be a key goal with emphasis on both compliance training and broader development initiatives. In 2024, we completed 53,373 man-hours of training. Most of our professional and leadership programmes were successfully delivered. Looking ahead, our focus is to expand behavioural and short-term competency programmes to boost productivity, workplace compliance, and team efficiency, with early signs indicating strong employee engagement.

Our diversity performance saw an improvement of 2% compared to 2023 of our total female population. Women now hold 24% of senior management roles, reflecting a 4% rise since 2023. Additionally, we have enhanced female representation on our Board with the appointment of Christine Kasou as a Non-Executive Director. We are committed to further enhancing gender diversity across all levels of our organization and continue to implement initiatives to support and promote women in leadership and technical roles.

Beyond our core business activities, we are committed to cultivating long-term, mutually rewarding relationships with our partners and the communities in which we operate. In the past year, our Community Grants Programme has supported various initiatives, allocating 10% of the grants to both Education and Health initiatives, while 24% and 56% were allocated to Social and Environmental programmes respectively. We look forward to continuing this support, empowering community beneficiaries to build their communities and positively impact lives.

As our business grows, we remain conscious of the importance of sustainable growth. We are fully committed to empowering our people and communities while responsibly managing our environmental impact.

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 2024 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 2024, 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 2024 (Amounts in Kina 000's)

		Consolidated		Parent Entity	
	Note	2024	2023	2024	2023
Continuing Operations					
Revenue	3(a)	717,380	656,290	72,767	11,503
Other income	3(a)	29,643	13,006	2,248	5,098
Operating expenses	3(b)	(677,625)	(590,541)	(2,744)	(1,692)
OPERATING PROFIT		69,398	78,755	72,271	14,909
Finance income	3(e)	13,604	14,174	85	85
Finance costs	3(e)	(19,722)	(15,826)	-	-
Share of profit of associates and joint ventures	4(b)	6,141	7,286	-	-
PROFIT BEFORE INCOME TAX		69,421	84,389	72,356	14,994
Income tax expense	5(a)	(22,429)	(25,722)	(46)	(1,047)
PROFIT FROM CONTINUING OPERATIONS		46,992	58,667	72,310	13,947
PROFIT FOR THE YEAR		46,992	58,667	72,310	13,947
TOTAL COMPREHENSIVE INCOME FOR THE YEAR attributable to:					
Non-controlling interests		1,154	523	-	-
Shareholders		45,838	58,144	72,310	13,947
		46,992	58,667	72,310	13,947
TOTAL COMPREHENSIVE INCOME FOR THE YEAR attributable to owners arises from:					
Continuing operations		45,838	58,144	72,310	13,947
Basic and diluted earnings per share					
Continuing operations (toea)	3(f)	147.8t	187.5t	-	-

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 2024 (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 2023	24,200	1,043,105	(40,295)	1,027,010	17,059	1,044,069
Profit for the year	-	58,144	-	58,144	523	58,667
Dividends paid 2023	-	(32,559)	-	(32,559)	(554)	(33,113)
BALANCE AT 31 DECEMBER 2023	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

Parent Entity	Share Capital	Retained Earnings	Total Equity
BALANCE AT 1 JANUARY 2023	24,200	34,303	58,503
Profit for the year	-	13,947	13,947
Dividends paid 2023	-	(32,559)	(32,559)
BALANCE AT 31 DECEMBER 2023	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

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 2024 (Amounts in Kina 000's)

		Consolidated		Parent Entity	
	Note	2024	2023	2024	2023
Current assets					
Cash and cash equivalents	6	27,800	28,804	-	-
Trade and other receivables	7	159,987	184,726	878	45,298
Inventories	8	47,073	39,480	-	-
Income tax receivable	5(e)	14,329	5,163	239	-
Asset held for sale	10	455	-	-	-
		249,644	258,173	1,117	45,298
Non-current assets					
Property, plant and equipment	10	832,366	692,559	60,880	22,995
Investment properties	11	409,061	381,374	-	-
Investments in related companies	4(a)	51,562	45,495	55,299	55,252
Due from related companies	9	156,646	243,069	3,055	9,531
Intangible assets	12	76,433	76,433	-	-
Deferred tax assets	5(c)	4,880	4,627	786	832
		1,530,948	1,443,557	120,020	88,610
TOTAL ASSETS		1,780,592	1,701,730	121,137	133,908
Current liabilities					
Trade and other payables	13	138,482	108,680	17	-
Lease liabilities	14	2,280	2,576	-	-
Provisions for other liabilities and charges	15	6,710	6,122	33	-
Due to related companies	9	2,305	1,862	39,894	93,982
Due to a minority shareholder	16	160	160	-	-
Borrowings	16	71,565	32,895	-	-
Income tax payable	5(e)	-	-	-	35
		221,502	152,295	39,944	94,017
Non-current liabilities					
Other payables	13	29,414	-	-	-
Lease liabilities	14	53,496	55,234	-	-
Deferred tax liabilities	5(c)	34,026	28,086	-	-
Provisions for other liabilities and charges	15	12,386	11,191	-	-
Borrowings	16	344,845	385,301	-	-
		474,167	479,812	-	-
TOTAL LIABILITIES		695,669	632,107	39,944	94,017
NET ASSETS		1,084,923	1,069,623	81,193	39,891
EQUITY					
Share capital	17	24,200	24,200	24,200	24,200
Reserves		1,043,225	1,028,395	56,993	15,691
Capital and reserves attributable to the Company's shareholders		1,067,425	1,052,595	81,193	39,891
Non-controlling interests		17,498	17,028	-	-
TOTAL EQUITY		1,084,923	1,069,623	81,193	39,891

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

For and on behalf of the Board:

31 March 2025

Chairman

Managing Director

STATEMENTS OF CASH FLOWS

Steamships Trading Company Limited Year Ended 31 December 2024 (Amounts in Kina 000's)

		Consolidated		Parent Entity	
	Note	2024	2023	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		742,119	627,185	2,248	2,401
Payments to suppliers and employees		(555,176)	(493,706)	(735)	-
Interest received		11,932	2,401	85	85
Interest and other finance costs paid		(18,494)	(15,826)	-	-
Income tax paid	5(e)	(23,802)	(16,495)	(261)	(137)
Net cash from operating activities	19(a)	156,579	103,559	1,337	2,349
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(231,122)	(222,769)	(39,894)	-
Proceeds from sale of property, plant and equipment		14,021	6,370	-	-
Subscription of additional shares in joint venture companies		(48)	(3,500)	(48)	(3,500)
Net loans issued to associated companies		(3,134)	(32,611)	(68,339)	(622)
Loan repaid by a joint venture		90,000	-	90,000	-
Dividends received from joint venture and associates		8,058	2,656	8,058	3,502
Net cash used in investing activities		(122,225)	(249,854)	(10,223)	(620)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		120,000	185,000	-	-
Repayments of borrowings		(120,000)	(30,000)	-	-
Loans received from subsidiaries		-	-	39,894	30,830
Lease repayments		(2,336)	(2,597)	-	-
Dividends paid		(31,692)	(33,113)	(31,008)	(32,559)
Net cash (used in) / from financing activities		(34,028)	119,290	8,886	(1,729)
NET INCREASE / (DECREASE) IN CASH HELD		326	(27,005)	-	-
NET CASH AT BEGINNING OF THE YEAR		25,909	52,914	-	-
NET CASH AT END OF THE YEAR		26,235	25,909	-	-
CASH COMPRISES:					
Cash and cash equivalents	6	27,800	28,804	-	-
Bank overdrafts	16	(1,565)	(2,895)	-	-
		26,235	25,909	-	-

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

Comparative period amounts have been restated to conform to presentations in the current year.

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 31 March 2025.

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 20242

The following standards, amendments and interpretations to existing standards became applicable for the first time during the accounting period ended 31 December 2024.

- Amendment to IAS 1 - Non-current liabilities with covenants. These amendments clarify how conditions which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these amendments.
- Amendment to IFRS 16 - Leases on sale and leaseback. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- Amendment to IAS 7 and IFRS 7 - Supplier finance. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

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 2024 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 2025 or later periods, but the entity has not early adopted them:

- Amendments to IAS 21 – Lack of Exchangeability (effective 1 January 2025 - early adoption is available). 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.
- 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.

- IFRS 18 Presentation and Disclosure in Financial Statements (effective 1 January 2027). 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.

The Group continues to assess the impact of adopting Standards, amendments and interpretations issued but not yet effective for the year ended 31 December 2024.

New IFRS sustainability disclosure standards effective after 1 January 2025

- IFRS S1, 'General requirements for disclosure of sustainability-related financial information (effective 1 January 2024 - This is subject to endorsement by the Accounting Standards Board of PNG). This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

- IFRS S2, 'Climate-related disclosures' (effective 1 January 2024 - This is subject to endorsement by the Accounting Standards Board of PNG). This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

(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 2024 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 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)

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, 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 resale

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 2024 and 31 December 2023, 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 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 of 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 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 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 4.23% (2023 – 4.14%).

(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-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 2024 and previous years of 4.5% approximates the incremental borrowing rate at the date of initial adoption of IFRS 16 and at 31 December 2024. 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 2024 would be K4.4 million lower and K8.2 million higher, respectively (2023: K4.5 million lower and K8.7 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 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 2024, if interest rates on PNG Kinadenominated borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been K4.1 million (2023: 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 2024 or 31 December 2023 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 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 2024 and 31 December 2023 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 2024 and 31 December 2023 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:

	2024 K'000	2023 K'000
Undrawn Facilities	190,155	189,699

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
At 31 December 2024						
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)
At 31 December 2023						
Borrowings	(46,682)	(85,385)	(325,120)	-	(457,187)	(418,196)
Borrowings from minority shareholders	(160)	-	-	-	(160)	(160)
Borrowings from related parties	(1,899)	-	-	-	(1,899)	(1,862)
Trade and other payables	(108,680)	-	-	-	(108,680)	(108,680)
Lease liabilities	(5,283)	(5,283)	(11,981)	(111,566)	(134,113)	(57,810)
	(162,704)	(90,668)	(337,101)	(111,566)	(702,039)	(586,708)

The Group does not hold derivative financial instruments.

(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:

	2024 K'000	2023 K'000
Total external borrowing and unsecured loans	418,875	420,218
Less: Cash and Cash equivalents	27,800	28,804
Net debt	391,075	391,414
Total equity	1,084,923	1,069,6239
Total capital	1,475,998	1,461,037
Gearing ratio	26%	27%

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 2024 and 31 December 2023, 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.

Steamships Trading Company Limited Year Ended 31 December 2024 (Amounts in Kina 000's unless otherwise stated)

3. Operating results

	Consolidated		Parent Entity	
	2024	2023	2024	2023
(a) Revenue and other income comprises:				
Revenue from contracts with customers				
- Revenue from sale of goods	70,353	67,236	-	-
- Revenue from provision of services	527,209	467,694	-	-
Lease income	119,818	121,360	-	-
Dividend income	-	-	72,767	11,503
Total Revenue	717,380	656,290	72,767	11,503
Other income (net)*	29,643	13,006	2,248	5,098

* 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 2024 that relates to shipping and freight services which commenced in late 2024 and will be finalised within January 2025 is K3.3 million (2023: K1.3 million).

	Consolidated		Parent Entity	
	2024	2023	2024	2023
(b) Expenses comprise:				
Cost of sales	158,450	132,979	-	-
Staff costs (Note 3c)	198,932	174,530	-	-
Depreciation and amortisation	113,468	104,529	2,009	2,073
Electricity and fuel	52,291	46,889	-	-
Insurance	7,914	10,054	-	-
Security cost	15,011	13,125	-	-
Motor vehicle expenses	33,106	33,861	-	-
Other operating expenses / (income) - net	98,453	74,574	735	(381)
Total operating expenses	677,625	590,541	2,744	1,692
(c) Staff costs:				
Wages and salaries	166,988	146,622	-	-
Retirement benefit contributions	6,309	5,776	-	-
Other benefits	25,635	22,132	-	-
Total staff costs	198,932	174,530	-	-
Number of staff employed by the Group at year end:				
Full-time	3,365	3,010	-	-

3. Operating results (continued)

	Consolidated		Parent Entity	
	2024	2023	2024	2023
(d) The operating profit before income tax is arrived at after charging and crediting the following specific items:				
After charging:				
Audit fees	1,238	1,172	-	-
Fees for non-audit services to Auditors	192	122	-	-
Bad and doubtful debts provided	3,203	7,460	-	-
Donations	2,707	1,792	-	-
After crediting:				
Net proceeds from insurance claims	(17,077)	(11,292)	-	-
Gain on sale of property, plant and equipment - net	(12,250)	(1,714)	-	-
Bad and doubtful debts released	(3,365)	(38)	-	-
(e) Cost of financing – net:				
Interest expense*	19,722	15,826	-	-
Interest income	(13,604)	(14,174)	(85)	(85)
Net finance costs / (income)	6,118	1,652	(85)	(85)

*The interest expense excludes capitalised interest which is K1.5 million in 2024 (2023: Knil).

(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	
	2024	2023
Net profit attributable to shareholders	45,838	58,144
Average number of ordinary shares on issue (thousands)	31,008	31,008
Basic earnings per share (continuing and discontinued)	147.8 toea	187.5 toea
Basic earnings per share (continuing)	147.8 toea	187.5 toea

4. Investments in subsidiaries, associates and joint ventures

	Consolidated		Parent Entity	
	2024	2023	2024	2023
(a) Investments are accounted for in accordance with the policy set out in Note 1(c) and relate to:				
Investments in subsidiary companies (Note 21)	-	-	55,299	55,252
Investments in associates (Note 22)	5,676	5,464	-	-
Investments in joint ventures (Note 23)	45,886	40,031	-	-
	51,562	45,495	55,299	55,252
(b) Share of after tax profit in associates and joint ventures				
Share of profit in associates	269	121	-	-
Share of profit in joint ventures	5,872	7,165	-	-
	6,141	7,286	-	-

Steamships Trading Company Limited Year Ended 31 December 2024 (Amounts in Kina 000's unless otherwise stated)

5. Income tax

	Consolidated		Parent Entity	
	2024	**2023**	**2024**	**2023**
(a) Income tax expense				
Current tax	16,742	24,622	-	222
Deferred tax	4,208	420	46	825
Prior period under provision	1,479	680	-	-
	22,429	25,722	46	1,047

(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.

	Consolidated 2024	Consolidated 2023	Parent Entity 2024	Parent Entity 2023
Prima facie tax on profit before income tax	20,826	25,317	21,707	4,498
Non-taxable income - dividends	-	-	(21,661)	(3,451)
Tax on non-deductible expenses	833	677	-	-
Income not assessable for tax	(1,842)	(2,186)	-	-
Adjustments for current and deferred tax of prior periods	1,479	680	-	-
Unrecognised deferred tax asset on tax losses	1,133	1,234	-	-
	22,429	25,722	46	1,047

	Consolidated 2024	Consolidated 2023	Parent Entity 2024	Parent Entity 2023
(c) The deferred tax (liabilities) / assets comprise:				
Provisions	16,161	14,247	(48)	51
Lease liabilities	16,731	17,341	-	-
Prepayments and consumables	(16,836)	(14,342)	-	-
Property, plant and equipment	(36,391)	(31,427)	834	781
Right-of-use assets	(8,811)	(9,278)	-	-
	(29,146)	(23,459)	786	832
Deferred tax assets	4,880	4,627	834	832
Deferred tax liabilities	(34,026)	(28,086)	(48)	-
	(29,146)	(23,459)	786	832

Steamships Trading Company Limited Year Ended 31 December 2024 (Amounts in Kina 000's unless otherwise stated)

5. Income tax (continued)

(d) The gross movement on the deferred tax account is as follows:

	Beginning Balance	Charge to profit	Ending Balance
Consolidated			
Provisions and accruals	14,247	1,914	16,161
Lease liabilities	17,341	(610)	16,731
Prepayments and consumables	(14,342)	(2,494)	(16,836)
Property, plant and equipment	(31,427)	(4,964)	(36,391)
Right-of-use assets	(9,278)	467	(8,811)
Total	(23,459)	(5,687)	(29,146)
Parent Entity			
Property, plant and equipment	781	53	834
Loan receivable	51	(99)	(48)
Total	832	(46)	786

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

	Consolidated		Parent Entity	
	2024	**2023**	**2024**	**2023**
At 1 January	(5,163)	(12,088)	35	(38)
Income tax provision	16,742	24,622	-	222
Prior year over provisions	-	-	(13)	(12)
Utilisation of interests withholding tax	(2,106)	(2,115)	-	-
Others	-	913	-	-
Tax payments made	(23,802)	(16,495)	(261)	(137)
	(14,329)	(5,163)	(239)	35

6. Cash and cash equivalents

	Consolidated		Parent Entity	
	2024	**2023**	**2024**	**2023**
Cash and short-term deposits	27,800	28,804	-	-
	27,800	28,804	-	-

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.

Steamships Trading Company Limited Year Ended 31 December 2024 (Amounts in Kina 000's unless otherwise stated)

7. Trade and other receivables

	Consolidated		Parent Entity	
	2024	2023	2024	2023
Trade receivables	110,708	86,390	-	-
Trade receivables - related parties (Note 18)	7,782	37,828	878	45,296
Provision for impairment	(17,223)	(17,385)	-	-
	101,267	106,833	878	45,296
Other receivables	41,754	64,201	-	-
Prepayments	16,966	13,692	-	2
	159,987	184,726	878	45,298

(i) Credit losses

As at 31 December 2024 and 31 December 2023, loss allowance was determined as follows for trade receivables:

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%	30% - 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

31 December 2023	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%-0.07%	0.07-10%	10-25%	25%-75%	14%
Gross carrying amount - trade receivables	65,102	26,340	9,854	22,922	124,218
Loss allowance	419	2,570	2,342	12,054	17,385

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

	Consolidated		Parent Entity	
	2024	2023	2024	2023
Opening balance	17,385	11,163	-	-
Impairments recognised during the year	3,203	7,460	-	-
Provision released	(3,365)	(38)	-	-
Write off	-	(1,200)	-	-
Total	17,223	17,385	-	-

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 2024 and 31 December 2023, 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.

Steamships Trading Company Limited Year Ended 31 December 2024 (Amounts in Kina 000's unless otherwise stated)

8. Inventories

	Consolidated		Parent Entity	
	2024	2023	2024	2023
Finished goods	47,381	39,624	-	-
Provision for obsolescence	(308)	(144)	-	-
	47,073	39,480	-	-

Inventories recognised as an expense during the year ended 31 December 2024 and included in cost of sales and cost of providing services amounted to K23.9 million (2023: K23.1 million).

9. Due from / (to) related companies

	Consolidated		Parent Entity	
	2024	2023	2024	2023
Non-Current				
Harbourside Development Limited	124,727	203,503	-	-
Pacific Rumana Limited	24,587	25,375	-	-
Wonye No. 2 Limited	3,182	957	-	-
Viva No. 31 Limited	2,748	2,584	-	-
Huhu Rural LLG	846	1,103	-	-
Colgate Palmolive (PNG) Limited	518	536	518	536
Wonye Limited	22	-	-	-
Wakang Inc.	16	16	-	-
John Swire & Sons Limited	-	8,995	-	8,995
Loan from subsidiaries	-	-	2,537	-
	156,646	243,069	3,055	9,531
Due to associates and joint ventures:				
Current				
Stevedoring associates	(2,305)	(1,862)	-	-
Loans from subsidiaries	-	-	(39,894)	(93,982)
	(2,305)	(1,862)	(39,894)	(93,982)

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.

Steamships Trading Company Limited Year Ended 31 December 2024 (Amounts in Kina 000's unless otherwise stated)

10. Property, plant and equipment

	Property	Ships	Plant and Vehicles	Right-of-use Assets	Total
Consolidated					
2024					
Cost	666,312	560,421	497,284	43,253	1,767,270
Accumulated depreciation (including impairment losses)	(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
2023					
Cost	570,926	406,495	437,174	42,912	1,457,507
Accumulated depreciation (including impairment losses)	(282,274)	(179,403)	(266,629)	(36,642)	(764,948)
Net book value	288,652	227,092	170,545	6,270	692,559
Opening value	305,522	139,910	104,456	8,667	558,555
Additions	4,590	120,012	94,681	495	219,778
Disposals	(382)	(31)	(1,242)	-	(1,655)
Depreciation	(21,078)	(32,799)	(27,350)	(2,892)	(84,119)
Closing value	288,652	227,092	170,545	6,270	692,559

Steamships Trading Company Limited Year Ended 31 December 2024 (Amounts in Kina 000's unless otherwise stated)

10. Property, plant and equipment (continued)

	Property	Plant and Vehicles	Total
Parent Entity			
2024			
Cost	121,881	7,313	129,194
Accumulated depreciation (including impairment losses)	(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
2023			
Cost	81,987	7,313	89,300
Accumulated depreciation (including impairment losses)	(60,353)	(5,952)	(66,305)
Net book value	21,634	1,361	22,995
Opening value	23,379	1,689	25,068
Depreciation	(1,745)	(328)	(2,073)
Closing value	21,634	1,361	22,995

(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	
	2024	**2023**	**2024**	**2023**
Property	9,729	20,654	-	-
Ships and plant and vehicles	32,114	86,138	-	-
Total assets in the course of construction	41,843	106,792	-	-

The cost of additions during the year includes capitalised borrowing costs amounting to K1.5 million (2023: Knil). The Group used capitalisation rate of 4.23% (2023: 4.14%) per annum to determine the amount of borrowing costs eligible for capitalisation.

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:

	2024 PGK'000	2023 PGK'000
Opening net book amount	6,270	8,667
Lease agreements made during the year	341	495
Depreciation	(1,441)	(2,892)
Closing net book amount	5,170	6,270
At cost	43,253	42,912
Accumulated depreciation (including impairment losses)	(38,083)	(36,642)
	5,170	6,270

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	
	2024	2023	2024	2023
Cost	633,391	592,008	-	-
Accumulated depreciation	(224,330)	(210,634)	-	-
Net book value	409,061	381,374	-	-
Opening value	381,374	388,896	-	-
Additions	41,383	12,888	-	-
Depreciation	(13,696)	(20,410)	-	-
Closing value	409,061	381,374	-	-

Steamships Trading Company Limited Year Ended 31 December 2024 (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:

	2024	2023
Opening net book amount	24,673	25,086
Terminated	(37)	-
Depreciation	(420)	(432)
Others	-	19
Closing net book amount	24,216	24,673
At cost	26,781	26,781
Accumulated depreciation	(2,565)	(2,108)
	24,216	24,673

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

	2024	2023
Rental income	119,817	121,360
Repairs and maintenance attributable to rental properties under non-cancellable leases	4,669	(3,485)
Operating expenses directly attributable to rental properties under non-cancellable leases	(26,073)	(24,094)

(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:

		Valuation Range	
	NBV	Lower	Higher
Investment properties	409,061	1,581,179	1,976,473
Other properties (Note 10)	336,119	442,595	553,244
Total	745,180	2,023,774	2,529,717

The Group 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.

Steamships Trading Company Limited Year Ended 31 December 2024 (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	
	2024	2023	2024	2023
Within one year	96,258	81,104	-	-
Later than one year but not later than five years	206,624	145,261	-	-
Later than five years	13,499	18,700	-	-
	316,381	245,065	-	-

12. Intangible assets

	Consolidated		Parent Entity	
	2024	2023	2024	2023
Goodwill	76,433	76,433	-	-

The Group performs impairment tests on an annual basis. For the 2024 and 2023 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 2024 is PGK67.4 million (2023: K67.4 million). Growth beyond year three for the purpose of the impairment testing is set at 7% (2023: 7%). A pre-tax discount rate of 14.8% per annum (2023: 14.9% 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 K25.3 million (2023: K36.1 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 K0.3 million. The CGU's carrying amount would exceed the value in use at a growth rate lower than 6.0% 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 K5.6 million. The CGU's carrying amount would be equal to value in use at a discount rate of approximately 16.2% per annum.

Steamships Trading Company Limited Year Ended 31 December 2024 (Amounts in Kina 000's unless otherwise stated)

12. Intangible assets (continued)

New Britain Shipping

The goodwill balance in 2024 is PGK9.0 million (2023: K9.0 million). Growth beyond year three for the purpose of the impairment testing is set at 5% (2023: 7%). A pre-tax discount rate of 15.0% per annum (2023: 14.9% 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 K2.0 million (2023: K6.7 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 K0.1 million. The CGU's carrying amount would exceed the value in use at a growth rate lower than 4.1% 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 K0.6 million. The CGU's carrying amount would be equal to value in use at a discount rate of approximately 16.4% per annum.

13. Trade and other payables

	Consolidated		Parent Entity	
	2024	**2023**	**2024**	**2023**
Current				
Trade payables	45,456	42,741	-	-
Trade payables - related parties (Note 18)	-	8,343	-	-
Accruals	59,853	39,638	-	-
Other payables	33,173	17,958	-	-
	138,482	108,680	-	-
Non-current				
Other payables	29,414	-	-	-
	29,414	-	-	-

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 annual payments for the Portside land acquisition discounted at a rate of 4.56% per annum due by 31 July 2030.

Steamships Trading Company Limited Year Ended 31 December 2024 (Amounts in Kina 000's unless otherwise stated)

14. Lease Liabilities

As disclosed in Note 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).

	2024	2023
State land leases	25,814	25,868
Properties	29,630	31,942
Vehicles	332	-
Total lease liabilities	55,776	57,810

Total lease liabilities as of 31 December 2024 include current liabilities of K2.3 million (31 December 2023: K2.6 million) and non-current liabilities of K53.5 million (31 December 2023: K55.2 million).

	2024	2023
Minimum lease payments:		
Not later than 1 year	4,914	5,283
Later than 1 year and not later than 5 years	16,809	17,264
Later than 5 years	107,151	111,566
Total	128,874	134,113
Less: Unexpired finance charges	(73,098)	(76,303)
	55,776	57,810
Present value of lease liabilities:		
Not later than 1 year	2,280	2,576
Later than 1 year and not later than 5 years	14,236	14,100
Later than 5 years	39,260	41,134
Total	55,776	57,810

Interest on lease liabilities recognised in profit or loss by the Group amounts to PGK 2.5 million (2023: PGK2.6 million).

	2024	2023
Movement in net lease liabilities as per below:		
Opening	57,810	59,912
Lease agreements made during the year	341	495
Disposal during the year	(39)	-
Finance costs	2,505	2,593
Repayment	(4,841)	(5,190)
	55,776	57,810

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 31 December 2023 and 31 December 2024 was 4.5% p.a. Management assessed that weighted average interest rate on borrowings obtained from financial institutions during 2024 and previous years approximates incremental borrowing rate at the date of initial adoption of IFRS 16 and at 31 December 2024. 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 K4.2 million and Knil for the year ended 31 December 2024 (2023: K3.5 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	2024	2023
Opening value	16,621	571	122	17,314	16,211
Charged to profit and loss	9,250	130	-	9,380	9,783
Utilisation / Reversal during the year	(7,027)	(571)	-	(7,598)	(8,681)
Closing value	18,844	130	122	19,096	17,313
Current	6,458	130	122	6,710	6,122
Non-current	12,386	-	-	12,386	11,191
	18,844	130	122	19,096	17,313

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

16. Borrowings

	Consolidated		Parent Entity	
	2024	2023	2024	2023
Current:				
Bank overdrafts (secured)	1,564	2,895	-	-
Bank loans	70,000	30,000	-	-
Other loans (unsecured)	160	160	-	-
	71,724	33,055	-	-
Non-current:				
Bank loans (secured)	344,845	385,301	-	-
	344,845	385,301	-	-
Total Borrowings	416,569	418,356	-	-

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 4.23% per annum (2023: 4.14% 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 (2023: 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	
	2024	2023	2024	2023
(a) Issued and paid up capital				
Ordinary shares	24,200	24,200	24,200	24,200

(b) Number of shares

Number of shares (000's)				
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 30 toea per share will be paid immediately after the Annual General Meeting on 20th June 2025. 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 100 toea per share which relate to the final dividend of 2023 at 60t per share amounting to K18.60 million, and interim dividend for 2024 financial year of K12.41 million at 40t per share.

Steamships Trading Company Limited Year Ended 31 December 2024 (Amounts in Kina 000's unless otherwise stated)

18. Related party disclosures

(a) Loss of control:

On 22nd October 2024, the Board of Gulf Maritime Services Limited (GMS) approved the issue of subscription shares to Steamships Trading Company Limited, GFS Limited and Gulf Provincial Government (GPG). GPG received their shares for Knil consideration. GMS is now accounted for as a joint venture company.

On 21st September 2023, the Board of Wonye No. 2 Limited has approved the issuance of 3.5 million ordinary shares each to Steamships Trading Company Limited and Tininga Limited respectively. As a result of the subscription, Steamships Trading Company Limited no longer has effective control. Wonye No 2 Limited 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	
	2024	2023	2024	2023
Key management personnel disclosure				
Wages and salaries	20,441	18,744	-	-
Other short-term benefits	3,770	2,760	-	-
(d) Material transactions:				
Sales of goods and services				
- Associates and joint ventures	6,991	4,636	-	-
- Key management	13	1,751	-	-
- Associated groups	295	7,074	-	-
Lease and rental income				
- Associated groups	1,614	473	-	-
- Key management	1,033	-	-	-
Dividend received				
- Associates and joint ventures	8,058	10,654	-	-
- Shareholders	-	-	80,561	-
Management fee received				
- Associates and joint ventures	1,240	1,229	-	-
- Associated groups	-	-	-	-
- Other shareholders	-	-	-	-
Interest received				
- Associates and joint ventures	12,920	13,926	-	-
Royalties received				
- Associates and joint ventures	1,885	2,154	1,885	2,154
Shipping and towage services				
- Key management	1,199	-	-	-
- Associated groups	42,277	50,308	-	-
Cartage and storage services				
- Associates and joint ventures	121	-	-	-
- Key management	288	-	-	-
- Associated groups	7,718	3,797	-	-
Purchase of goods and services				
- Associates and joint ventures	(2,481)	(248)	-	-
- Associated groups	(54,267)	(4,383)	-	-
- Key management	(2,199)	(7)	-	-
Management fees and recharges				
- Associated groups	(11,221)	(10,244)	-	-

Steamships Trading Company Limited Year Ended 31 December 2024 (Amounts in Kina 000's unless otherwise stated)

18. Related party disclosures (continued)

	Consolidated		Parent Entity	
	2024	2023	2024	2023
Dividends paid				
- Other shareholders (minority interest)	(683)	(554)	-	-
- Controlling shareholder	(22,363)	(23,481)	(22,363)	(23,481)
- Significant shareholder	(8,646)	(9,078)	(8,646)	(9,078)
Loans to/(from) related companies				
- Associates and joint ventures	(79,821)	41,183	-	-

All transactions with related parties are made on normal commercial terms and conditions.

Balances with related companies:				
Associates and joint ventures:				
Stevedoring associates (Note 9)	(2,305)	(1,862)	-	-
Basiloc Limited (Note 16)	(160)	(160)	-	-
Due from related Companies:				
Harbourside Development Limited (Note 9)	124,727	203,503	-	-
Pacific Rumana Limited (Note 9)	24,587	25,375	-	-
Wonye No. 2 Limited	3,182	957	-	-
Viva No. 31 Limited (Note 9)	2,748	2,584	-	-
Huhu Rural LLG (Note 9)	846	1,103	-	-
Colgate Palmolive (PNG) Limited (Note 9)	518	536	518	536
Wonye Limited (Note 9)	22	-	-	-
Wakang Inc. (Note 9)	16	16	-	-
Subsidiary companies (Note 9)	-	-	2,537	-
John Swire & Sons Limited (Note 9)	-	8,995	-	8,995
Total trade receivables from related companies (Note 9)	156,646	243,069	3,055	9,531
Balances receivable / (payable) from / to related companies:				
Harbourside Development Limited (Note 7)	4,010	-	-	-
John Swire & Sons Limited (Note 7)	2,932	36,228	404	36,228
Colgate Palmolive (PNG) Limited (Note 7)	474	1,068	474	9,068
Makerio Stevedoring Limited (Note 7)	171	131	-	-
Nikana Stevedoring Limited (Note 7)	128	401	-	-
Wonye Limited (Note 7)	67	-	-	-
Total trade receivables from related companies (Note 7)	7,782	37,828	878	45,296
Payables				
John Swire & Sons Limited (Note 13)	-	(8,343)	-	-
Total trade payables from related companies (Note 13)	-	(8,343)	-	-

Steamships Trading Company Limited Year Ended 31 December 2024 (Amounts in Kina 000's unless otherwise stated)

19. Reconciliation of cash flows

	Consolidated		Parent Entity	
	2024	2023	2024	2023
(a) Cash generated from operations				
Profit from continuing operations after tax	46,992	58,667	72,310	13,947
Depreciation and impairment	113,468	104,529	2,009	2,073
Dividend and interest income	(444)	(11,775)	(72,767)	(11,503)
Net gain on sale of fixed assets	(12,250)	(1,714)	-	-
Share of profit of associates and joint ventures	(6,141)	(7,286)	-	-
Change in operating assets and liabilities				
Decrease/ (Increase) in trade debtors and other receivables	32,893	(37,106)	-	(1,388)
Increase in inventory	(7,593)	(11,018)	-	-
(Increase) / Decrease in deferred tax assets	(253)	(2,607)	(2)	825
(Decrease) / Increase in trade creditors and other payables	(1,901)	642	20	-
(Decrease) / Increase in other operating liabilities	(4,965)	596	(7)	(1,677)
(Increase) / Decrease in income tax receivable	(9,167)	6,925	(274)	72
Increase in deferred tax liabilities	5,940	3,706	48	-
Net cash from operating activities	156,579	103,559	1,337	2,349

(b) Net debt reconciliation

	Lease liabilities	Bank loans	Other loans	Total
Net debt as at 1 January 2023	(59,912)	(259,500)	(3,062)	(322,474)
Proceeds from borrowings	-	(185,000)	-	(185,000)
Repayments	-	30,000	1,040	31,040
Lease agreements made during the year	(495)	-	-	(495)
Finance costs	(2,593)	(801)	-	(3,394)
Payment of lease liabilities	5,190	-	-	5,190
Net debt as at 31 December 2023	(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)

20. Retirement benefit plans

The total cost of retirement benefits of the Group in 2024 was K6.3 million (2023: K5.7 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.

Steamships Trading Company Limited Year Ended 31 December 2024 (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[1] 2024	Equity Holdings[1] 2023
Steamships Limited	Papua New Guinea	Ordinary	100	100
Croesus Limited	Papua New Guinea	Ordinary	100	100
Oro Port Services 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[2]	Papua New Guinea	Ordinary	50	50
United Stevedoring Limited[3]	Papua New Guinea	Ordinary	70	70
Morobe Terminals Limited[4]	Papua New Guinea	Ordinary	50.5	50.5
Lae Port Services Limited[5]	Papua New Guinea	Ordinary	51.5	51.5
Port Services PNG Limited[5]	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[6]	Papua New Guinea	Ordinary	100	100
Gazelle Port Services Limited[7]	Papua New Guinea	Ordinary	100	100
Portside Business Park Limited[8]	Papua New Guinea	Ordinary	100	100
Wonye No. 2 Limited[9]	Papua New Guinea	Ordinary	50	50
Gulf Maritime Services Limited[10]	Papua New Guinea	Ordinary	47.5	100
Hebamo Transport Limited[11]	Papua New Guinea	Ordinary	100	100

(1) The portion of ownership is equal to the proportion of voting power held.

(2) Consolidated by virtue of control over the operating decisions and returns. As at 31 December 2024, Steamships Trading Company Limited still has control over this entity.

(3) United Stevedoring Limited became a subsidiary in May 2019.

(4) Morobe Terminals Limited became a subsidiary in May 2019 and is in liquidation.

(5) Lae Port Services and Port Services PNG Limited are in liquidation.

(6) 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.

(7) Incorporated on 21 July 2021 and is domiciled in Rabaul. The company is still under start-up phase.

(8) Previously known as Motukea Industrial Park Limited, this company was incorporated on 30 April 2020 and is still under start-up phase.

(9) Incorporated on 8 October 2021 and is still under start-up phase. Wonye No. 2 became a joint venture company on 21 September 2023.

(10) Incorporated on 9 May 2023 and is still non-operating. Gulf Maritime Services Limited became an associate on 22 October 2024.

(11) Incorporated on 5 February 2024 and is still non-operating.

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

Steamships Trading Company Limited Year Ended 31 December 2024 (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 2024 and 31 December 2023 is as follows:

2024	Ownership Interest %	Assets	Liabilities	Carrying Value	Revenue	Profit
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
2023						
Madang Port Services Limited	60	6,352	824	5,528	5,712	658
New Britain Shipping Limited	50	21,338	2,979	18,359	10,387	(283)
Motukea United Limited	64.1	2,767	1,064	1,703	8,916	261
Kavieng Port Services Limited	60	3,818	555	3,263	4,765	142
United Stevedoring Limited	70	2,451	1,343	1,108	16,487	107

22. Investment in associates

(a) Movement in carrying amounts as below:

	Consolidated		Parent Entity	
	2024	2023	2024	2023
Opening value	5,464	5,593	-	-
Share of profits before tax	384	173	-	-
Income tax expense	(115)	(52)	-	-
Dividends received	(57)	(155)	-	-
Adjustments	-	(95)	-	-
Closing value	5,676	5,464	-	-

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:

2024	Ownership Interest %	Assets	Liabilities	Carrying Value	Revenue	Profit
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 Stevedoring Limited	49	2,501	44	2,457	-	-
		8,673	2,997	5,676	5,117	269

2023	Ownership Interest %	Assets	Liabilities	Carrying Value	Revenue	Profit /(loss)
Makerio Stevedoring Limited	45	2,008	654	1,354	1,938	19
Nikana Stevedoring Limited	45	3,277	1,624	1,653	2,201	102
Riback Stevedoring Limited	49	2,501	44	2,457	-	-
		7,786	2,322	5,464	4,139	121

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.

Steamships Trading Company Limited Year Ended 31 December 2024 (Amounts in Kina 000's unless otherwise stated)

23. Investment in joint ventures

(a) Movement in carrying amounts

	2024	2023
Opening value	40,031	39,865
Additions during the year	48	3,500
Share of profits before tax	8,389	10,370
Income tax expense	(2,517)	(3,111)
Dividends received	-	(10,499)
Adjustments	(65)	(94)
Closing value	45,886	40,031

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.

2024	Ownership Interest %	Assets	Liabilities	Carrying Value	Revenue	Profit /Loss
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)	-	-
		625,163	562,797	45,886	81,466	5,872

2023	Ownership Interest %	Assets	Liabilities	Carrying Value	Revenue	Profit
Colgate Palmolive (PNG) Limited	50	33,528	19,893	13,635	51,512	5,758
Harbourside Development Limited	50	496,315	457,656	-	14,152	-
Pacific Rumana Limited	50	4,714	121	4,593	2,561	595
Viva No. 31 Limited	50	9,924	6,729	3,195	843	(135)
Wonye Limited	50	50,840	35,841	14,999	3,358	838
Wonye No. 2 Limited	50	8,410	4,801	3,609	236	109
		603,731	525,041	40,031	72,662	7,165

The Group's share of the capital commitments of joint ventures at 31 December 2024 is K4.5 million (2023: K10.2 million).

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

Steamships Trading Company Limited Year Ended 31 December 2024 (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 2024 is as follows:

2024	Property and Hospitality	Logistics	Commercial and Investments (and eliminations)	Total
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)

Steamships Trading Company Limited Year Ended 31 December 2024 (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
2023				
Total revenue and other income from continuing operations	295,273	382,525	(8,502)	669,296
Interest revenue	-	111	14,063	14,174
Interest expense	(2,593)	-	(13,233)	(15,826)
Segment results	104,142	6,066	(33,105)	77,103
Share of joint ventures and associates profit	-	-	7,286	7,286
Income tax (expense) / credit	(31,243)	(1,820)	7,341	(25,722)
Profit / (Loss) from continuing operations	72,899	4,246	(18,478)	58,667
Segment assets	679,348	550,572	471,810	1,701,730
Segment liabilities	(68,787)	(332,162)	(231,158)	(632,107)
Net assets	610,561	218,410	240,652	1,069,623
Total assets include investments in joint ventures and associates	23,200	5,464	16,831	45,495
Capital expenditure	51,953	168,071	2,745	222,769
Depreciation	43,545	57,533	3,451	104,529
Cost of goods and services	(47,418)	(84,390)	(1,171)	(132,979)
Staff costs	(35,471)	(116,261)	(22,798)	(174,530)
Significant items:				
Net insurance proceeds	12,426	-	-	12,426
Gain on asset disposal – net	87	1,605	-	1,692

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

Revenue from the hotels and property business primarily 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 primarily 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.

Steamships Trading Company Limited Year Ended 31 December 2024 (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.

The parent entity has given letters of comfort of continuing financial support in respect of certain subsidiaries, associates and joint ventures.

26. Commitments

(a) Capital commitments

	Consolidated		Parent Entity	
	2024	2023	2024	2023
Contracts outstanding for capital expenditure:				
- less than 12 months	32,273	19,223	-	-
- 1-5 years	-	-	-	-
	32,273	19,223	-	-

27. Subsequent events

On 28th February 2025, Hebamo Transport Limited was structured as a 51%-49% partnership, with Laba Holdings Ltd owning the majority stake. Hebamo Transport Limited became operational and is well positioned to play a key role in the downstream construction phase of the Papua LNG Project.

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 2024, 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. The Group comprises the Company and the entities it controlled at 31 December 2024 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 2024, 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 in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* that are relevant to audits of the financial statements of public interest entities in Papua New Guinea, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Group in the areas of taxation and other non-audit services. The provision of these other services has not impaired our independence as auditor of the Company and the Group.

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.

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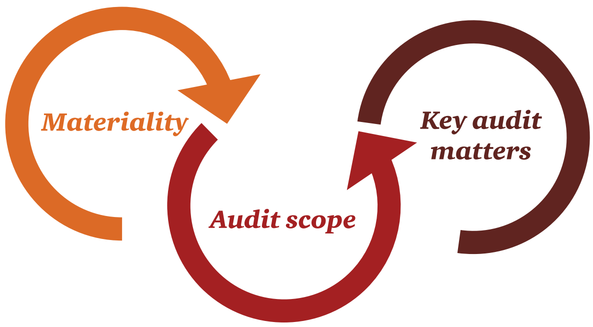
INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Steamships Trading Company Limited



Materiality	*Audit scope*	*Key audit matters*
• For the purpose of our audit of the Group we used overall group materiality of approximately 5% of the Group's average profit before tax for the current and two previous years. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole. • We chose Group profit before tax because, in our view, it is the metric against which the performance of the Group is most commonly measured. We applied a three year average to address potential volatility in the calculation of materiality that arises from operating in these industries in Papua New Guinea. • We selected 5% based on our professional judgement noting that it is also within the range of commonly acceptable related thresholds.	• 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 of the Group at the year-end are incorporated and operating in Papua New Guinea with the exception of one subsidiary which has operations in the Solomon Islands. • All significant associates of the Group are incorporated and operating in Papua New Guinea and audited by PwC Papua New Guinea. • Our audit focused on where the directors made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	• Amongst other relevant topics, we communicated the following key audit matter to the Audit and Risk Committee: • Goodwill impairment assessment • This matter is further described in the *Key audit matter* section of our report.

pwc

Key audit matter

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*
Goodwill impairment assessment (Refer to note 12 of the financial statements) The Group has goodwill totalling K76.4 million at 31 December 2024. In accordance with the accounting policy in note 1(n) of the financial statements, the Group has assessed the goodwill balance for impairment at 31 December 2024. The Group has calculated the value of the respective cash generating units which the goodwill relates to based on financial models comprising cash flow projections. The cash flow projections use a number of forward looking assumptions, including revenue and cost growth, and the value calculation is sensitive to these. We considered this a key audit matter because of the significant judgements around future revenues and costs, and the discount rate to be applied in determining the recoverable amount of the cash generating units.	We have considered and tested the financial models used by the Group to determine the values of the cash generating units. We compared the models with the previous year's models and found them to be consistently structured and consistent with the basis of preparation required by accounting standards. Together with our valuation expert we reviewed the financial models methodology used in determining the value of the respective cash generating units. We compared the forecast revenues and expenditures in the financial models to approved budgets and obtained an understanding of the Group's budgeting procedures upon which forecasts are based. We also evaluated the reliability of estimates made by comparing forecasts made in prior years to actual outcomes. We benchmarked certain assumptions with external forecasts, and the discount rates with our expectation based on the overall Weighted Average Cost of Capital (WACC) of the Group. Together with our valuation expert we reviewed the methodology used in determining the discount rate applied in the financial models. We performed sensitivity analysis on assumptions to ascertain the extent of change that would be required in key assumptions for the respective goodwill balances to be impaired. We determined that the calculations were more sensitive to long-term growth rate assumptions and discount rates and focused our testing on these assumptions.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Steamships Trading Company Limited

Information other than the financial statements and auditor's report

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.

pwc

Auditor's responsibilities for the audit of the financial statements (continued)

- 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.

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 2024:

- 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.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Steamships Trading Company Limited

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.

PricewaterhouseCoopers

PricewaterhouseCoopers

Chris Wickenhauser
Partner
Registered under the Accountants Act 1996

Peter Buchholz
Partner
Registered under the Accountants Act 1996

Port Moresby
31 March 2025

DIRECTORS' REPORT

Steamships Trading Company Limited Year ended 31 December 2024

Steamships Trading Company Limited and Subsidiary Companies

The Directors submit their Annual Report for the year ended 31 December 2024 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 K45,838,000 (2023: K58,144,000).

Dividends

The Directors advise that a final dividend of 30 toea per share will be paid after the Annual General Meeting on 20th June 2025. 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 2024

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 and Risk 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.

D.H. Cox OL, OBE

Managing Director from 2004 to 2012

Member of the Audit and Risk 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

Appointed as Managing Director on 1st July 2024

Member of the Strategic Planning Committee since 1st July 2024

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

Appointed as Steamships Limited's Managing Director on 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 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.

A. Mistroni

Appointed as Finance Director and Company Secretary on 1st July 2024

Alessandro was named Finance Director of Steamships 1 July 2024. He 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 Energy Services, 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. 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.

R.P.N. Bray

Managing Director from 20th September 2020 to 1 July 2024

Member of the Strategic Planning Committee until 1 July 2024

Member of the Remuneration and Nomination Committee until 1 July 2024

Director from 2018 until 1 July 2024

Appointed Managing Director in 2020, Mr. Bray was Chief Operating Officer from 2018 until his appointment as Managing Director. Mr. Bray was previously Marine Services Director of Singapore based Swire Pacific Offshore Pte Ltd. There, he was responsible for Swire Pacific Offshore's subsea, renewables, logistics, seismic, salvage and oil spill divisions. He was formally Chief Operating Officer of Swire Oilfield Services and held various senior operational and commercial positions in Cathay Pacific Airways Ltd in his earlier career. He held directorship of various Steamships Trading Company subsidiaries, joint ventures, and associated companies. He sat on a number of charitable advisory boards and PNG business groupings, including chairing anti-gender-based violence charity, Bel isi, The Salvation Army PNG, acting as the deputy chair industry body, PNG Property Developers Association, the United Nations Biodiversity & Climate Fund for PNG, and the Business Council's Energy Working Group. He graduated with a Bachelor of Science from Bristol University (UK) and holds a Master of Marine Sciences from Nanyang Technical University (Singapore). He is a graduate of the Australian Institute of Company Directors and holds several IOSH Health & Safety qualifications.

M.R. Scantlebury

Managing Director from September 2018 to September 2020

Finance Director & Company Secretary from June 2016 to September 2018 and from September 2020 until 30 June 2024

Mr. Scantlebury is a chartered accountant and was previously Director of the Office for Financial Planning at Swire Pacific Ltd in Hong Kong and he has held various senior finance and commercial positions in the Swire group in his career. He held Directorship of various Steamships Trading Company subsidiaries, joint ventures, and associated companies.

STOCK EXCHANGE INFORMATION

Steamships Trading Company Limited Year ended 31 December 2024

Remuneration of Directors

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

	2024 K'000	2023 K'000
GL Cundle (Chairman)	268	249
LM Bromley	313	280
DH Cox	271	252
PJ Aitsi	151	140
JB Rae-Smith	151	205
C Kasou	122	-
Lady WT Kamit	-	95
	1,276	1,221

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	2024 No.	2023 No.	Remuneration K'000	2024 No.	2023 No.	Remuneration K'000	2024 No.	2023 No.
100-110	10	18	220-230	4	1	380-390	1	3
110-120	10	8	230-240	9	3	390-400	3	-
120-130	14	9	240-250	5	3	400-500	11	15
130-140	8	7	250-270	6	12	500-600	5	5
140-150	12	11	270-280	1	3	600-700	10	13
150-160	6	7	280-290	5	4	710-800	6	7
160-170	6	5	290-300	2	3	810-900	5	4
170-180	8	5	300-320	4	4	910-1,000	-	2
180-190	2	4	310-340	-	4	1,000-1,500	4	1
190-200	2	3	340-360	2	3	1,500-2,000	1	3
200-210	5	5	360-370	1	1	2,000-2,900	1	1
210-220	3	2	370-380	-	3	2,900-3,000	1	1

For and on behalf of the Board:

Port Moresby
31 March 2025

G.L. Cundle
Chairman

C.K. Daniells
Managing Director

STOCK EXCHANGE INFORMATION

Steamships Trading Company Limited Year ended 31 December 2024

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

Shareholdings

At 28 February 2025, there were 374 shareholders.

281	Holding	1	-	1,000 units
62	Holding	1,001	-	5,000 units
15	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
BERNE NO 132 NOMINEES PTY LTD <722124 A/C>	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	54,727	0.18
BUDLEAF PTY LTD <BUDLEAF SUPER FUND A/C>	33,836	0.11
HYLEC INVESTMENTS PTY LIMITED <HYLEC CONTROLS P/L S/F A/C>	32,500	0.10
BOND STREET CUSTODIANS LIMITED <JONJAM - V41401 A/C>	23,067	0.07
MR RAMESH MAHTANI	21,700	0.07
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	20,137	0.06
CITICORP NOMINEES PTY LIMITED	18,606	0.06
PRAFUL PATEL INVESTMENTS PTY LTD PRAFUL & ANITA PATEL S/ A/C	17,264	0.06
INTERCONTINENTAL ASSETS PTY LIMITED	15,000	0.05
MR JAMES DOUGLAS GRIFFITH	11,044	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
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	9,568	0.03
CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	8,768	0.03
MRS JUDITH SCOTTHOLLAND	8,161	0.03
MRS MARY PATRICIA HAUGHTON	8,161	0.03
	30,742,245	99.15

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 and Risk 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

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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
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(Overseas) +61 (0)3 9415 4000
Fax: +61 3 9473 2500

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

A. R. B. N.
055 836 952

STEAMSHIPS
TRADING COMPANY LIMITED

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