Media Release

PNGX welcomes market growth targets, corporate debt market and listed property trusts to develop local capital markets

Port Moresby, 13 July 2023: *PNGX Group, operator of Papua New Guinea's national stock exchange, has welcomed the statement by Minister for International Trade and Investment, Hon Richard Maru MP, to seek to increase the size of the Papua New Guinean capital market to over 500 billion kina in the next 4 years.*

Minister Maru outlined the objective when announcing the new PNGX Corporate Debt Market. The current total market capitalisation is 135 billion kina. The target represents an increase of 350%.

"We would like to thank the Minister for his final approval of the new corporate debt market" said PNGX Group Chairman, Mr David Lawrence. "We would also like to thank the International Finance Corporation (IFC), the ADB Private Sector Development Initiative (PSDI) and the Securities Commission of PNG for their work and support" he said.

The Minister also expressed support for the development of major listed real estate investment trusts (REITs). REITs have the potential to provide opportunities for significant mobilisation of capital and a multiplier effect throughout the economy, including through SMEs in the property development supply chain. PNGX has been working with the Property Developers Association to develop the REIT market.

To support SMEs having better access to capital, the Minister foreshadowed the introduction of a new "small offers" regime to allow SMEs to more easily and cost effectively raise small amounts of capital to fund their growth. PNGX is working on the development of a suitable market structure to support the "small offers" regime.

"The Minister's comprehensive package of announcements could provide a significant stimulus for the local market. It could deliver the increased diversity of investment opportunities which large and small investors have been seeking."

The Minister's target of 500 billion kina market capitalisation within the next 4 years is further supported by the Government's recently released Medium Term Development Plan which targets 10% annual growth in the number of Papua New Guinean companies listed on

PNGX, 10% annual growth in the number of domestic retail investment participants in the market and an increase in the proportion of the PNG population investing in the domestic capital markets.

PNGX welcomes these growth opportunities and expresses its readiness to work closely with all market participants and stakeholders. Our goal is to facilitate the growth emphasized by the Minister and contribute to the overall development of the PNG capital market.

A copy of the Minister's Press Statement is attached for reference.

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About PNGX Group Limited

PNGX Group is the operator of PNGX Markets, Papua New Guinea's national stock exchange. PNGX is responsible for providing an orderly and fair market in relation to securities which are traded through its facilities and for acting in the public interest having regard to the need for protection of investors. PNGX is regulated and licensed by the Papua New Guinea Securities Commission. PNGX is the National Numbering Agency for Papua New Guinea.

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PRESS STATEMENT

July 06, 2023

Minister Announces Issuance of Local Bonds

Minister for International Trade and Investment, Hon. Richard Maru announced the launching of a new Capital Market product, a Debt Security or local bonds today. This Capital Market product will be available on the Debt Market immediately. The companies who want to issue bonds must contact Papua New Guinea National Stock Exchange (PNGX).

"I have the powers under Section 153 of the Capital Market Act 2015 to approve the launching of the local bonds and I am satisfied that all the work has been done. It has taken us over 5 years (since 2017) to prepare PNGX and the Securities Commission of Papua New Guinea (SCPNG) for the issuance of the local bonds. The project was funded by the Australian Government, Marape-Rosso Government, the International Financial Corporation, the Asian Development Bank and all other stakeholders," said Minister Maru.

"Only companies who have a net asset of K10 million and those who are rated by independent credit rating agencies will be considered by PNGX to issue bonds. In the coming weeks, we will announce the first company who will issue local bonds as we expand our capital market products to include debt security (like bonds). The target of the Marape-Rosso Government is to increase the size of our capital market in terms of equities from the current market capitalization of K135 billion to over K500 billion in the remaining four years of our term. This target will be reached if more companies are listed on PNGX. We want to introduce more capital raising platforms like Debt Securities, peer to peer, crowd funding, and small offers regime (SMEs) so we create more avenues for local investors to raise capital locally to fund the local capital needs," said Minister Maru.

"We also want to support the development of a major real estate trust fund to mobilize funds for major real estate developments especially in Port Moresby and the Nadzab Airport City development," added Minister Maru.

Ends…//

Approved for Release

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PRESS STATEMENT

July 06, 2023

Minister Calls for Public Companies and International Corporations to List on PNGX

Minister for International Trade and Investment, Hon. Richard Maru, today called on all Papua New Guinea (PNG) companies who are listed in other countries to list on PNG National Stock Exchange (PNGX) to boost market credibility and improve investor confidence.

"The existing law of Capital Market Act 2015 under Section 116(3) requires an approval from the Securities Commission of PNG if public companies and corporations those are listed in our exchange wants to list or issue shares outside PNG. The Marape-Rosso Government through my Ministry have come up with a policy to compel public companies or companies funded by public monies to list in our local exchange. The idea is to support the Government's reform agenda to diversify PNG economy beyond extractive industries by providing potential investors an alternative financial instrument to mobilize private sector financing," said Minister Maru.

Minister Maru is also calling on the following international companies to immediately list on PNGX:

1. Origin Energy
2. Telstra (or Digicel)
3. Mayur Resources Limited
4. GeoPacific Resources Limited
5. Kingston Resources Limited
6. St. Barbara Limited
7. Westpac
8. ANZ
9. Amalgamated Telcom Holdings Limited (or Vodafone)
10. Sime Darby (or West New Britain Palm Oil)
11. Rimbunan Hijau Group (or RH)
12. Total Energies
13. Exxon Mobil
14. News Corporation
15. Coca-Cola
16. Heineken
17. Galley Reach Holdings Limited

"These companies can list both their local and international operations or they can only list their PNG operations on PNGX," said Minister Maru.

"We cannot let the public companies and international corporations to continue to make profits in Papua New Guinea while listing in other countries. These public companies and international corporations are socially obligated as responsible corporate citizens to list publicly so our citizens and public institutions alike can have the option to have a share in their profits," said Minister Maru.

"Goal 5 of our National Constitution calls for the promotion of Papua New Guinean ways and the Constitutional Planning Committee intends for the Constitution to establish institutions and mechanisms that would promote the equitable distribution of wealth among all citizens of this country," added Minister Maru.

Minister Maru said the Government is working on a policy and legislation to have all public companies and international corporations operating in PNG and listed outside the country to be listed on PNGX.

"It is good for you to list voluntarily on PNGX as a responsible corporate entity rather than being compelled by the law," said Minister Maru.

Furthermore, Minister Maru stated that other companies operating in PNG who are not listed above should also consider listing in PNG to raise capital in PNG through the capital market rather than borrowing and to fund their capital expansion plans.

"The Marape-Rosso Government's aspiration is to make our market to be robust and agile, in which it creates strong capital raising avenues locally by way of equities, bonds, notes, debentures, property trust and others. Our aim is to make investment options available for Government, state owned entities, listed and non-listed entities to raise capital locally instead of going aboard. This is part of Marape-Rosso Government's Take Back PNG Policy," said Minister Maru.

Ends…//

Approved for Release

Hon. Richard Maru, BTech, MBA, OBE, MP
Minister for International Trade & Investment