PNGX Announcement

KAML AGM 20th May 2026

Chairmans Address

2025 was another positive year for the Fund which delivered a further strong improvement in financial performance boosted by thriving global markets for the third consecutive year.

In 2025, positive sentiment regarding 'Artificial Intelligence' (AI) and lower interest rates in Europe and the US were the key drivers for rising equities prices. These strong share gains came against a backdrop of the global conflicts including the Russian Ukraine War as well as in the Middle East.

Given the diversity of its portfolio, Kina Asset Management Ltd has delivered a 50% increase in net profit after tax to K24.9 million for the full year ended 31 December 2025 (FY2024: K16.6 million).

The Company recorded an excellent investment gain of K26.8 million, or 25.3% for the year.

KAML's total portfolio value increased by K15.9 million to K105.7 million as of 31 December 2025.Net tangible asset backing per share as of 31 December 2025 was K1.99 (compared to 2024's K1.75), after payment of a record dividend of K0.25 per share to shareholders in October 2025.

A strong, profitable business is what enables us to keep delivering for all our stakeholders.

Directors are pleased that shareholders have again benefited from the strong performance of KAML shares again recognised as one of PNG's top market performers for 2025.

The total shareholder return over the year, based on the share price of K1.99 as of 31 December 2025, is 36.9% (with the record interim dividend of 25 toea per share plus capital gains of 34 toea per share (up 21% over the year). KAML's two-year total return to shareholders between the end of 2023 and end of 2025 has been an impressive 165%.

The performance in 2025 again highlighted the prudence and robustness of the Fund's strategic investment approach, which continues to focus on diversification and long-term holdings in leading PNG and Australian companies in addition to international funds.

The strategy provides a buffer from any impacts of the local PNG economic cycle on the Fund's earnings and also provides greater industry sector diversity and access to asset classes than those available in our home market.

- The key components of the result included:
- BSP Financial Group (BSP), Credit Corporation (CCP) and Kina Securities Limited (KSL) contributed strongly to the Company's investment performance.

- During the year, the Company's BSP Financial Group ASX listed shares delivered a positive 52.1% return (in PNG Kina adjusted terms) and a 41.0% return on PNGX, followed by Credit Corporation with a return of 89.4% and the ASX-listed Kina Securities Limited shares up 36.4% (in PNG Kina adjusted terms).
- In the Global ETF's Portfolio, the iShares S&P 500 ETF delivered a strong 51.6% return, followed by the iShares MSCI EAFE ETF at 36.7% and Vanguard MSCI Index International Shares ETF retuned 27.1%.
- The best Australian share market performers (in PNG Kina adjusted terms) in the portfolio were ANZ, Westpac, Telstra, and BHP with returns of 52.2%, 51.4%, 45.9% and 36.3%.

Contributing to the Company's results were:

- K4.6 million in cash and fixed interest and dividend income;
- K12.1 million in unrealised capital gain on the Company's equity holdings;
- K0.1 million in realised capital loss on the Company's equity holdings sold; and
- K10.2 million in foreign exchange gain, from a stronger Australian dollar.

The Company's equity investments also achieved favourable results against their benchmark indices. Domestic equities (+52.9%) strongly outperformed the benchmark KSi Home Index (+22.5%).

The ASX equities portfolio was up 19.9% compared with the performance benchmark, the S&P/ASX 200 Accumulation Index which was up 10.5%.

The Global ETF's Portfolio return of 13.9% strongly exceeded the benchmark MSCI World (ex–Australia) Total Return Index return of 5.8%.

The Fund's asset allocation as of 31 December 2025 was 34.9% invested in domestic stocks, cash and fixed income; and 65.1% invested in international stocks and cash. The portfolio benchmark weights are 40% (domestic) and 60% (international) respectively.

Key portfolio holdings as a percentage of the Fund on 31 December 2025 were in PNG, BSP Financial Group (15.9%), Kina Securities Limited (8.5%), and Credit Corporation (7.9%); and in International, Vanguard MSCI Index International Shares ETF (16.4%).

The Company is a long-term investor and is generally not a trader of the securities. The Company's investment manager, Kina Funds Management Limited, takes a long-term view and sets the portfolio accordingly. Kina Funds Management Limited, continued to maintain a disciplined approach to the evaluation of new growth opportunities through the year and cash holdings stood at a total of 7.4% (Domestic 0.8% and International 6.6%).

With a share price of K1.94 per share as of 31 December 2025, KAML Directors are pleased that the discount to NTA has narrowed significantly, meaning shareholders are benefiting from both portfolio gains and improving market sentiment.

KAML's financial strength allowed the Board to declare a record interim dividend for 2025 of 25 toea per share on 14 October 2025. The 2025 interim dividend represented an aggregate payment to shareholders of K12.87 million. Since the Company commenced paying dividends in 2009 it has paid in aggregate K1.09 per share to shareholders, which represents a total of K53.99 million in dividend payments.

Turning now to the current year.

Military conflict in the Middle East this year has escalated ongoing trade policy tensions and increased the uncertain outlook for the global economy and financial markets. While heightened levels of market volatility are expected to persist in the near term, longer-term outcomes will remain driven by key fundamentals, including economic growth and inflation trends, and the policy actions of governments.

April delivered a welcome equity rebound from March weakness. For the year to 30 April 2026, KAML's portfolio recorded a year-to-date (YTD) return of 8.3% or K8.9 million. KAML's total portfolio value increased by K8.2 million to K113.8 million during that period. The increase was attributable to favourable foreign currency movements and dividend income.

Furthermore, KAML's monthly Net Tangible Assets resumed positive momentum in April after a slight weakening in March and stood at K2.14 at the end of the month, up from K2.02 the prior month and K1.99 at the end of December 2025.

Despite, these positive results the macro backdrop remains complex given persistent inflation, policy uncertainty and geopolitics, KAML will continue to monitor these developments closely and will communicate with our shareholders as events emerge. In the meantime, the company will continue to maintain what it considers to be the most constructive course of action, and one that has served shareholders well through prior periods of geopolitical uncertainty: maintaining a well-diversified portfolio aligned with our long-term objectives.

Board succession and renewal are always active priorities for the Company.

Over the past twelve months your Board has undergone change with Dr Mellam's appointment as Chair and my resumption of duties as Managing Director. Directors Dame Monica Salter and Professor David Kavanamur have continued in their current Board roles.

In 2026, we will continue to put our shareholders, colleagues, partners and communities at the heart of what we do.

I would like to thank my fellow Board members for their ongoing wise counsel and diligent work over the past year. The Board remains steadfast in our commitment to strong governance, transparency, and the long-term success of your Company.

We thank you, our shareholders, for your trust and support, as well as our Asset Manager, Kina Funds Management, and our KAML team who continue to raise the bar and deliver on our promises.

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