

How does the Stock Market Work in Papua New Guinea?



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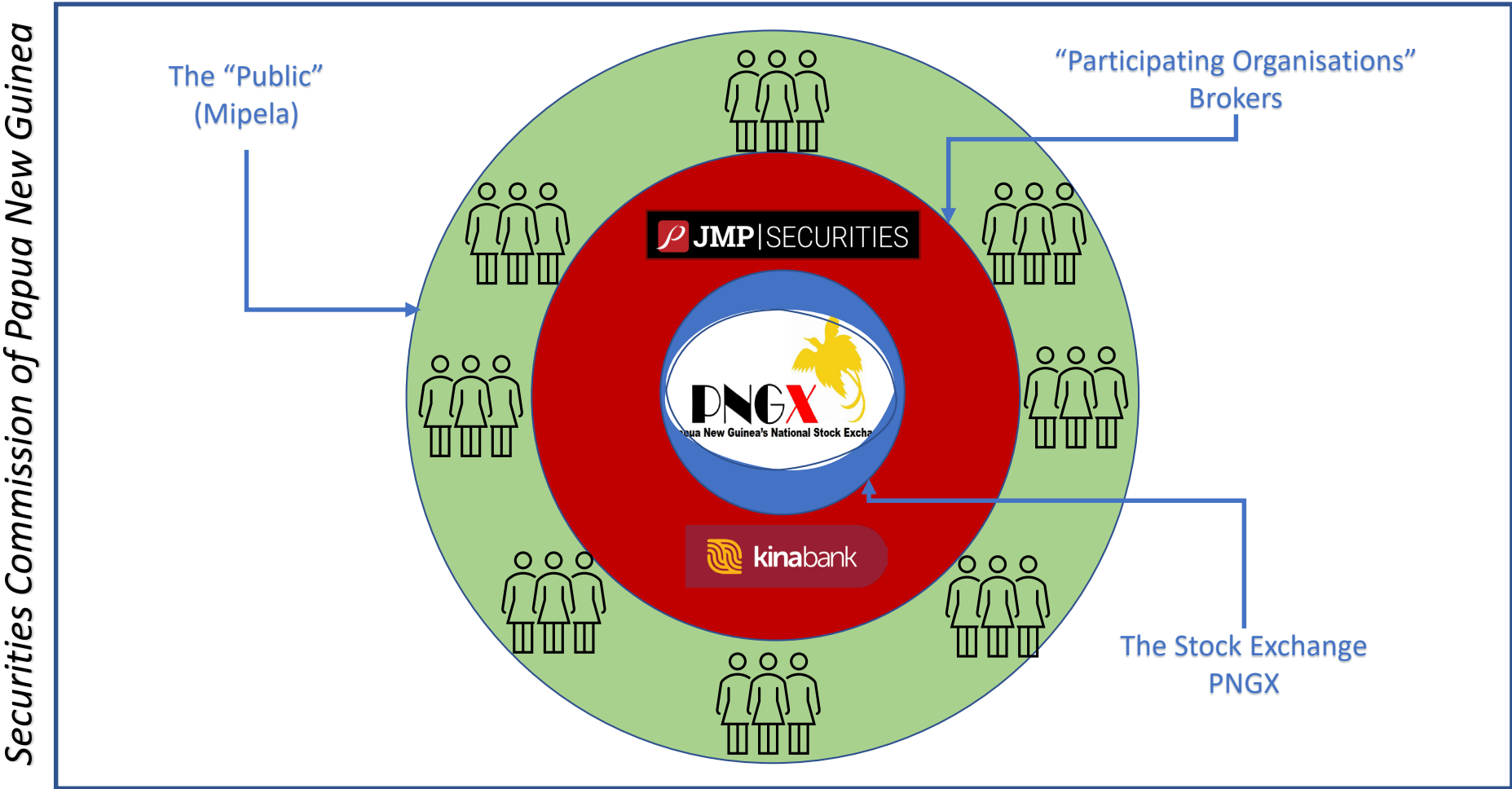
Why do we buy shares on PNGX?

- Investors buy shares in public markets in order to secure:
 - Income through dividends
 - Profits from Price Increases
 - Diversified Pool of Assets for their savings
- The Stock Market plays an important role in channeling capital from investors and savers to companies that have profitable opportunities that they wish to pursue.
- This makes the economy more efficient and drives investment, profits and employment.
- Stock Markets are an efficient way for the “Public” to get a chance to invest in companies.
- Without efficient and public markets, it can be difficult for companies to raise sufficient funds AND it can be challenging for the investing public to build diversified and resilient investment portfolios.
- Liquidity and efficient price discovery are key benefits of public capital markets such as PNGX. Companies can get capital at the right price and investors can buy, hold and sell their portfolios in accordance with their changing needs and risk appetite.



The Papua New Guinea Stock Market

Capital Market Act 2015



Securities Commission of Papua New Guinea

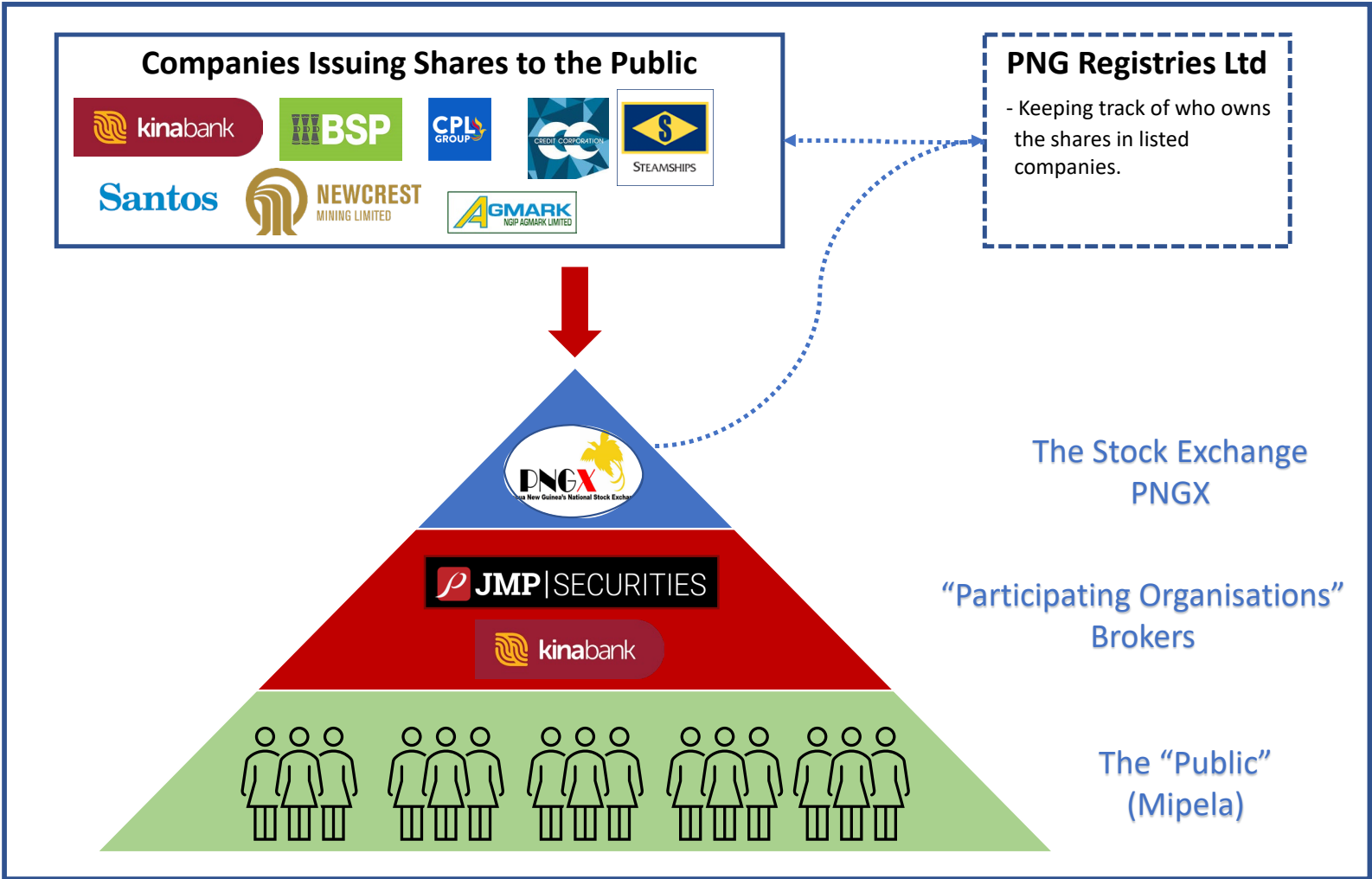
PNG Constitution and General Legal Framework

How does the Stock Market work in Papua New Guinea?

Laws - Regulations



Securities Commission of Papua New Guinea



Licenses - Ethics Framework

Which Companies are Listed on PNGX?



No.	Company Name	PNGX Code	Industry Group	Market Cap. PGK	% Weight	Number of Shares on Issue	Latest PGK Share Price
1	BSP Financial Group	BSP	Banking and Finance	5,798,199,939	4.20%	467,219,979	12.41
2	Credit Corporation (PNG) Limited	CCP	Finance	585,069,531	0.42%	307,931,332	1.90
3	City Pharmacy Limited	CPL	Industrial	189,973,608	0.14%	199,972,219	0.95
4	Coppermoly Limited	COY	Mining and Exploration	43,879,139	0.03%	2,193,956,929	0.02
5	Kina Asset Management Limited	KAM	Investment	47,396,741	0.03%	49,891,306	0.95
6	Kina Securities Limited	KSL	Banking and Finance	826,375,392	0.60%	286,935,900	2.88
7	Newcrest Mining Limited	NCM	Mining and Exploration	66,134,452,828	47.85%	893,708,822	74.00
8	NGP Agmark	NGP	Agriculture	32,123,484	0.02%	45,890,691	0.70
9	Santos Limited	STO	Oil and Gas	63,448,163,386	45.91%	3,321,893,371	19.10
10	Steamships Trading Company Limit	SST	Industrial	1,099,552,084	0.80%	31,008,237	35.46
Total Market Capitalisation				138,205,186,131	100.00%		

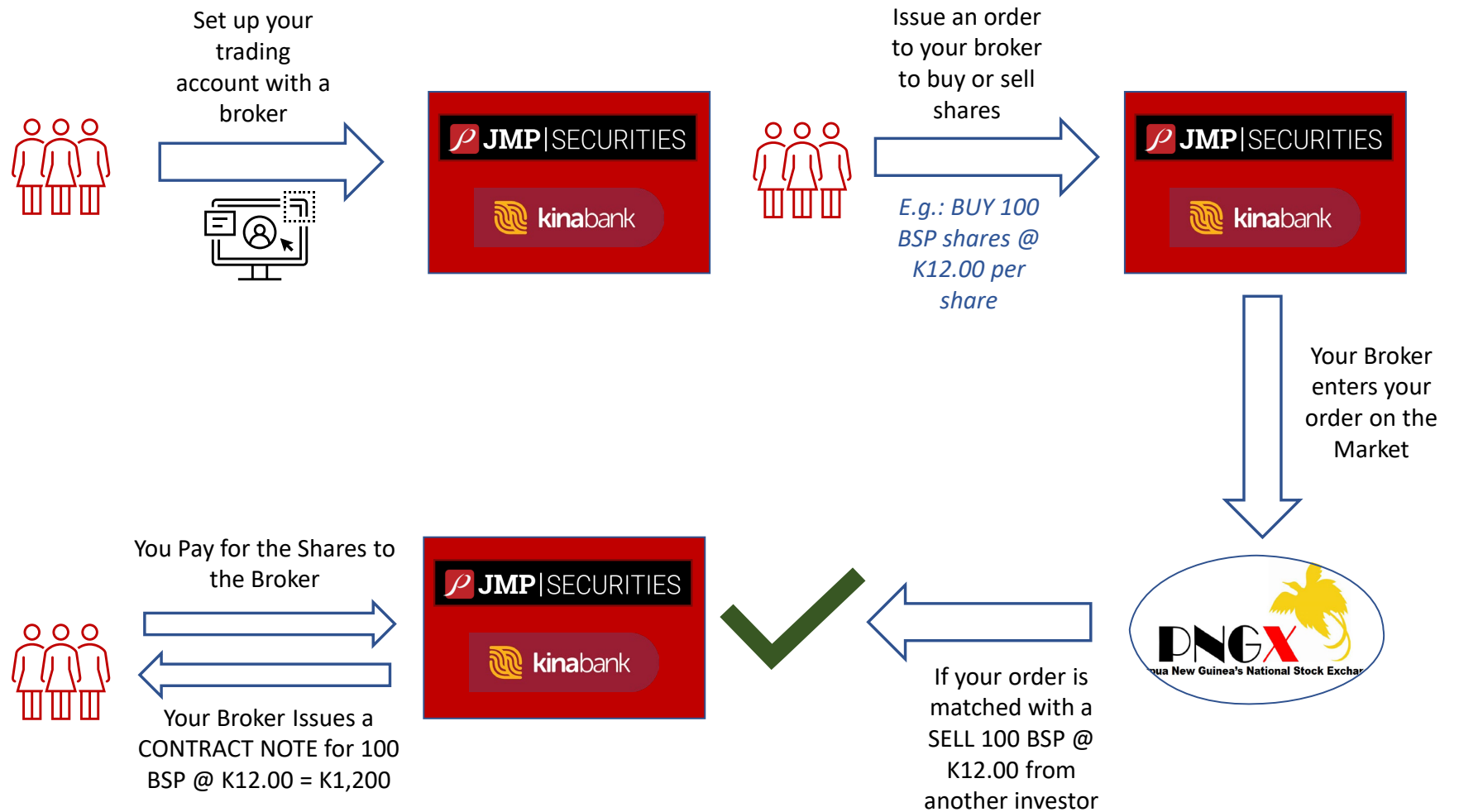
*Note: PNG Air is currently suspended from trading
Niuminco Mining Limited currently has no traded price*

How can we buy shares on PNGX?

In order to buy shares in the companies listed on PNGX, you must first establish an account with a broker on the exchange (Kina Securities or JMP Securities).

Investors do not buy shares directly from the companies themselves or from PNGX itself.

Only brokers can place orders on the stock exchange.

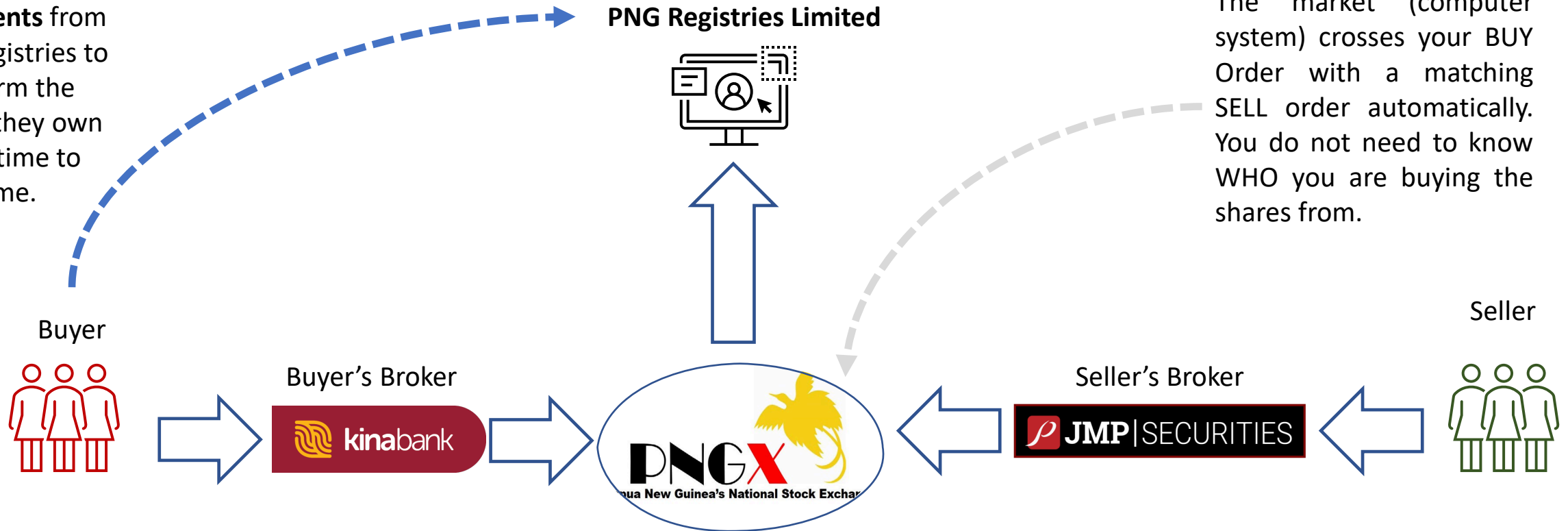


How do I receive and manage my shares?

Investors can get **Holding Statements** from PNG Registries to confirm the shares they own from time to time.

PNG Registries Limited keeps track of who owns the shares after all the trades are reported to it by PNGX.

The market (computer system) crosses your BUY Order with a matching SELL order automatically. You do not need to know WHO you are buying the shares from.



Settlement for the Shares happens on the 2nd day. Buyer's Broker sends the funds to the Seller's Broker

Frequently Asked Questions

▪ **Q. What is the minimum amount to buy shares?**

A. The minimum investment amount that we require to buy shares in any company listed on PNGX is **PGK2,325**. This amount includes a fee of PNG325 which comprises of our brokerage fee, the PNGX fee and the Securities Commission Levy. The PNGX fee and the Securities Commission Levy is applicable to every trade. The prices of shares vary for different companies listed on PNGX.

▪ **Q. What are the stocks listed?**

A. All stocks listed on the PNGX, and their prices can be found on the local newspapers in the business column or on the PNGX website at www.pngx.com.pg

▪ **Q. How do I buy or sell shares?**

A. All stocks listed on the PNGX can only be bought and sold through a licenced stockbroker, who acts on your behalf to buy and sell shares for a fee. **JMP Securities Limited is a licenced stockbroker.**

A new client wishing to buy shares will be required to:

1. Complete an Application Form. This form helps us to establish your trading account with us.
2. Complete a Buy Share Form. This Form authorises us to purchase your shares.
3. Deposit the minimum investment amount of PGK2,325 into our bank account. The minimum investment amount includes a fee of PGK325 which comprises of our brokerage fee, the PNGX fee and the Securities Commission Levy. The PNGX fee and the Securities Commission Levy are applicable to every trade.

A new client wishing to sell shares will be required to:

1. Complete an Application Form. This form helps us to establish your trading account with us.
2. Complete a Sell Share Form. This form authorises us to sell your shares.
3. Provide us with the original certificate/Statement of Holdings, a valid shareholder's reference number (SRN) for the stock you are holding or any recent dividend advice letter.

▪ **Q. Can JMP Securities Limited help me buy a security other than ordinary shares listed on the PNGX?**

A. Yes, JMP Securities Limited can assist Papua New Guinean investors to buy Government Inscribed Stock, Treasury Bills, Corporate Bonds and other Investments. JMP Securities Limited can also assist with access to international investment opportunities.

These options should be discussed with one of our advisors.

▪ **Q. How can I check on my shares?**

A. Contact the Share Registry

All publicly listed companies on the PNGX are required to maintain a share register. A Share Registry is an organisation that registers details of buyers of shares in a company. It issues new certificates or holding statements to the buyers and removes the previous holder of the shares in the company when these investors sell off their shares. All information from listed companies is distributed by the Share Registry on behalf of a company to its shareholders. Here in PNG the share registers of all publicly listed companies on the PNGX are currently managed by either **PNG Registries Limited, Computershare or PNGX.**

Please contact the relevant Share Registry for all shareholding related queries.

Our Team



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