



PNGX ANNOUNCEMENT | FRIDAY, 7<sup>TH</sup> MAY 2021 | FOR IMMEDIATE RELEASE

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## SECONDARY LISTING STATUS UPDATE FOR SHAREHOLDERS

The Chairman of the BSP Financial Group Limited (BSP), Sir Kostas G. Constantinou OBE would like to provide you with an update on the status of BSP's ASX listing application and a summary of the common question we have been receiving from shareholders.

BSP's ASX listing application was lodged in late April and, assuming the ASX requires no material amendments to our application, BSP should be notified of their assessment findings in late May, or early June, given the ASX's assessment process takes between four (4) to six (6) weeks to complete. Accordingly, BSP is on track to join the ASX in the first half of 2021, as raised at our Special Meeting of Shareholders in March.

We have received a number of questions from shareholders, since BSP announced its intention to join the ASX earlier this year. Listed below are the common questions we have received and our responses to these questions.

### 1. Why is BSP seeking to list on the ASX?

*To gain access to new sources of capital on the main exchange in Australia. While BSP has been listed since 2003, there are a number of constraints that BSP faces in sourcing new forms of equity capital. Accordingly, BSP is pursuing the Proposed Listing as a means of mitigating some of these constraints. The access to new sources of capital should allow BSP to explore future growth opportunities.*

*Another benefit of joining the ASX is it should facilitate increased liquidity for BSP's shareholders. The ASX provides access to a much deeper, larger pool of investors, and is a far more active market than the PNGX. Accordingly, shareholders should find it significantly easier to trade BSP shares.*

*Finally, joining the ASX should improve BSP's visibility ... providing the opportunity to better educate the international marketplace in relation to BSP and PNG.*

### 2. What constraints has BSP faced in sourcing new equity capital, and what has been their impact?

*The limited number of PNGX institutional investors, coupled with most of these investors already holding high BSP exposure levels, which limits their capacity and appetite to further invest in BSP has limited our ability to raise equity capital.*

*These constraints have at times limited BSP's capacity to pursue larger non-organic growth opportunities that has in turn impinged on our diversification strategy.*

**3. What is the difference between a “Compliance Listing” and a “Traditional IPO” ... and why is BSP proceeding with a “Compliance Listing”?**

*Under a traditional IPO, BSP would raise equity capital from new shareholders on the day of listing. Under the proposed ASX compliance listing, BSP does not intend raising new equity capital on listing date, although it is likely to do so at some point in the future to fund growth initiatives.*

*Accordingly, BSP is not issuing new shares at a nominated offer price. BSP’s ASX share price should instead be determined by the price at which existing shareholders of BSP who migrate their shares to the ASX are willing to sell their shares and the price new shareholders are willing to pay for those shares. In other words, BSP will not be seeking a price for its shares on the ASX, which should instead be determined based on supply and demand in the marketplace. Further, the price of BSP shares on the ASX and the price of BSP shares on the PNGX at the official BPNG exchange rate may well be different, which regularly occurs for other ASX-PNGX dual listed companies such as Oil Search.*

**4. Will shareholders be required to escrow their shares?**

*There will be no restrictions on existing shareholders continuing to trade their shares on the PNGX, or the ASX.*

**5. Will PNG domiciled shareholders be paid their dividends in \$A if they migrate their shares to the ASX?**

*PNG domiciled investors will continue to receive dividends in Kina, even if they migrate their shares to the ASX.*

*Existing shareholders can apply to move their shareholding from the PNG share register to the Australian share register, provided they maintain an address in PNG for record purposes. Application would be made to the share registry, PNG Registries Limited. In this situation, dividends would continue to be made in Kina.*

*Should a shareholder move their shareholding to the Australian share register together with a transfer to an Australian-based fund manager, or custodian (on the basis that the shareholding will still be under the control of the PNG resident shareholder), dividends would continue to be made in Kina.*

**6. How does BSP plan to source FX to pay dividends in AUD for overseas investors?**

*BSP has given due consideration to the payment of AUD dividends for offshore investors in its strategic planning and is comfortable that it has the mechanisms in place to meet its obligations. This includes BSP’s diversified offshore entities, which continue to provide a steady source of foreign currency profit repatriations to BSP Group.*

**7. How do I trade my shares on the ASX?**

*Existing shareholders should be able to immediately migrate their holdings, or part of their holdings, to the ASX and then trade their shares on the ASX, subject to making arrangements to do so with a stockbroker licensed in Australia.*

*To facilitate the migration, a shareholder will need to contact PNG Registries to make an application to migrate their shares. The relevant application form can be obtained from PNG Registries. Once the appropriate documentation has been received by PNG*

*Registries, they will arrange for the shareholder's PNG fully paid ordinary shares (FPOs) balance to be reduced and will instruct Link (PNG Registry's Australian partner) to issue the corresponding Australian FPOs to the shareholder.*

*Both PNG Registries and Link (PNG Registry's Australian partner) will process the migration application within 48 hours of receipt. Statements from both PNG Registries and Link detailing balance changes will be mailed to shareholders within three (3) and (5) business days of migration processing completion.*

*Notes:*

- (i) The above information is not intended to be relied upon as advice to existing holders of PNG FPOs and has been prepared without taking account of any shareholder's individual investment objectives, financial situation or particular needs. Accordingly, shareholders should seek their own legal, accounting and taxation advice appropriate to their jurisdiction, before deciding on migrating their shares to the ASX.*
- (ii) For PNG resident shareholders, a current tax clearance certificate is required to be produced to PNG Registries for a migration application (please refer to [https://irc.gov.pg/wp-content/uploads/2017/10/Public-Circular-for-TCC\\_2017-1.pdf](https://irc.gov.pg/wp-content/uploads/2017/10/Public-Circular-for-TCC_2017-1.pdf)).*
- (iii) The PNG resident shareholder must comply with applicable foreign exchange reporting requirements to the Bank of Papua New Guinea, which requires submission of a Form V3(A) (Notification of Overseas Assets Held by Residents of Papua New Guinea) in accordance with Foreign Exchange Notice 16. This is the obligation of the shareholder and not of PNG Registries.*
- (iv) In accordance with PNGX and ASX listing rules, large investors new custodian / nominee arrangements would require transfer documentation or instructions to a stockbroker and in either case may need to be disclosed to the markets via a substantial shareholder notice, and the PNG address would also need to be maintained.*
- (v) Neither PNG Registries, nor Link, charge share migration processing fees.*

In closing, I would like to thank you for supporting BSP's proposed ASX secondary listing.

**SIR KOSTAS CONSTANTINOU OBE**  
**CHAIRMAN | BSP FINANCIAL GROUP LTD**