



KINA

**ASSET MANAGEMENT
LIMITED**

2010

annual report

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Investment Objectives

Over time the Company aims to:

- provide a positive rate of return to Shareholders via a combination of capital growth and income.
- provide Shareholders with regular dividends; and
- preserve the capital of the Company

Approach to Investing

The investment philosophy is built on taking a medium to long-term view of value, which means the aim is to buy and hold stocks over the longer term.

Chairman's Report



The achievement of a record profit by KAML in 2010 indicates a bright investment future as PNG's first listed investment company goes from strength to strength.

The successful year's operation reflects the continuing growth in the PNG economy and the recovery of the Asia Pacific area with both regions benefiting from the strength in commodity prices.

This year's operational achievements highlight the investment opportunities provided by KAML - offering PNG shareholders access to major locally listed and international equities.

While the global economy continued its modest recovery - our 2010 results indicate that our targeted investment strategies are providing investors with positive opportunities to share in the economic revival.

We are heartened by the development of several major resources and mining ventures within PNG, led by the Esso Highlands LNG export project which remains on target for first delivery of product in 2014.

PNG is at a defining point in its history as these projects represent a major opportunity to significantly increase the wealth of this country. The Government's management of this wealth is critical. Your Board remains committed to sound governance policies such as the Government's development of a sovereign wealth fund that will manage the large inflow of funds and mitigate the risk of a large currency appreciation which could affect the competitiveness of PNG products in the global markets.

While bearing these factors in mind, KAML will continue to maintain a diversified portfolio of domestic and international equities and will seek out new opportunities to ensure strong investment growth into the future.

Recently, the Board decided to offer shareholders the opportunity to increase their holdings in KAML through a dividend reinvestment scheme which will allow the investment of future dividends.

This gives shareholders added incentives for capital growth and to further share in the exciting investment opportunities KAML offers.

I have been pleased that the interest and enthusiasm for KAML remains high, with strong share trading on POMSx in 2010 and a keen interest by investors in visiting the KAML website.

Looking forward, the challenge to maximise the growth opportunities and returns from the global recovery will be our prime strategy in 2011 and beyond. KAML will continue to build on the strong foundations of our investment strategy to take advantage of new opportunities as they arise.

While KAML has produced an excellent 10% growth in funds, instability and uncertainty remain across global markets. Hence the need to be vigilant with our investment endeavours remains and we will continue to manage these risks appropriately on behalf of shareholders.

We look forward to the challenges ahead and the opportunity to build on the current successful year of operations.

Sir Rabbie Namaliu GCL, CSM KCMG
CHAIRMAN

CEO's Report



KAML continues to exceed expectations with its targeted investment approach that provides investors access to a burgeoning PNG economy and also the growth within the broad Asia Pacific region.

KAML was born and launched just prior to the global financial crisis and in this report we look at the results of three years of ongoing growth and activity which has occurred against the background of the worst economic global financial environment in more than 60 years.

To meet the challenges presented to KAML and to achieve a record profit again in our third year of operation is very satisfying and investors should be aware that as an enterprise, the KAML management team has worked hard to deliver favourable results for shareholders.

At KAML, we continue to build on the fundamental principles laid out in our investment strategy and with the wisdom and experience of assessing areas of potential growth.

Further we have been blessed by the opportunities that have afforded our nation, PNG, and its newly found position within the greater South Pacific context as an emerging nation.

The start of the 21st century and the stability of the economy of PNG has meant that international investors are increasingly looking to build on the diversified range of resources and mining opportunities which are available in this country.

We now have several world class projects emerging, and genuine commitment by large scale international investors prepared to come to PNG with a long term view to make the nation a world supplier of mineral and natural resources.

The largest of these, the Esso Highlands LNG project, offers PNG a range of benefits including developing key infrastructure as well as the orderly development of the gas industry which will supply the energy markets across the world.

The confidence built by this project has also inspired a commitment by major companies and their local partners to take responsible risks to develop and expand new industries.

KAML, as the first local investment management company to be listed on the Port Moresby Stock Exchange, was created to provide all Papua New Guinean's with a financial vehicle by which they can invest in the future opportunities of this nation.

Despite the shaky start as the global financial crisis struck, our second and third years' success reflects the investment growth and the ongoing opportunities both within PNG and across the Asia Pacific region.

But successful ongoing investment goals are not generated by luck or by being the right vehicle in the right place-there is far more required to ensure financial success. KAML has a strict, open governance framework with a clear investment strategy that is implemented by a dedicated and proven management team.

We are not averse to responsible risk but we have set goals that are achievable and can benefit not only from the significant local economic growth but also from the benefits of the stronger international recovery strategies in Australia and the Asia Pacific region.

KAML's management has also sought advice from experts throughout the world and applied this knowledge to the strategic assessment rules laid down by the Board to assist in our choice of investments that are now proving both successful and profitable.

CEO's Report

Unfortunately, however, there remain several risks to the international outlook ranging from unprecedented debt levels in Europe and North America to natural disasters across the Asia Pacific region. Hence the warning signs of fragility remain in the global economy and we at KAML will remain vigilant in the face of these challenges.

KAML and its management intend to be a part of the successful growth and the economic maturity and expansion of the PNG economy.

We are proud of our achievements in 2010. We will continue to assess new opportunities as they are presented and remain true to our goal, the provision of a responsible investment firm which provides a genuine opportunity for all Papua New Guineans to be successful investors in the future of their nation.

The challenge before us is exciting but it is also one which requires a full commitment of effort as the global economies in many centres remain uncertain and provides a warning against over confidence and excessive risk.

We look forward to further investment achievements for our shareholders.

Syd Yates OBE

Chief Executive Officer

The Board of Directors

The names, particulars and other office holdings of the directors and office holders of the company during or since the end of the financial year are:

SIR RABBIE NAMALIU GCL, CSM, KCMG

CHAIRMAN



Former Prime Minister of Papua New Guinea, Sir Rabbie Namaliu GCL CSM KCMG is a director of Marengo Mining Limited and director of Bougainville Copper Limited. Sir Rabbie Namaliu is a distinguished statesman was also a former speaker of the PNG National Parliament and committed Papua New Guinean with ministerial experience in Foreign Affairs and Trade, Treasury, Primary Industry, Petroleum and Energy and other areas of government responsibility and holds directorships of other Papua New Guinea companies, including non-executive director of Kina Securities Limited, and Chairman of the publicly listed investment company Kina Asset Management Limited. In February 2010, Sir Rabbie was appointed Chairman of Kramer Ausenco, a new joint venture of PNG engineering company Kramer (PNG) Limited and Ausenco of Australia. Marengo Mining Limited values the contribution of Sir Rabbie and congratulated him on his recent appointment to the board of Bougainville Copper Limited. Sir Rabbie is a member of the Papua New Guinea Institute of Directors.

RICHARD SINAMOI

NON - EXECUTIVE DIRECTOR



Richard Sinamoi has been the General Manager for Comrade Trustee Services Limited (Trustee for the Defence Force Retirement Benefit Fund) since January 2003. He has actively contributed to the significant growth of the Defence Force Retirement Benefit Fund and represents his employer, Comrade Trustee Services Limited on the boards of a number of the companies in which the Defence Force Retirement Benefit Fund invests. Richard has been working within the superannuation, administration and investment industry since June 1998 when he joined the Defence Force Retirement Benefit Fund board. He worked with the board until the end of 2002. He is also a member of the Association of Superannuation Funds of Papua New Guinea, and a member of the Papua New Guinea Institute of Directors.

GREGORY TAYLOR AO

NON - EXECUTIVE DIRECTOR



Gregory Taylor is Chairman of Kumul Hotels Limited and Chairman of Paradise Foods Limited. From 2000, he advised the then Secretary of the Treasury, and Chaired the Superannuation Task Force. Subsequently he was appointed to the Board of POSF (now Nambawan Super Limited). Greg has had extensive experience in Australian Government administration, across senior positions in Treasury and Prime Minister and Cabinet before being appointed to the position of Chairman, Industries Assistance Commission. He then headed in turn three Departments of State responsible respectively for employment, education and training; primary industry and resources; and industry, science and technology. In 1997 he became Executive Director at the IMF for Australia, PNG and a number of other Pacific and East Asian countries, as a consequence directly representing PNG's economic interests at the IMF.

SYDNEY GEORGE YATES OBE

CEO AND MANAGING DIRECTOR



Syd holds a number of directorships including the Port Moresby Stock Exchange Limited, Kina Funds Management Limited, Kina Investment Superannuation Services Limited, Media Nuigini Limited, Air Nuigini Limited and is a director Papua New Guinea Sports Federation and National Olympic Committee. Mr Yates has significant experience in the banking, finance and investment industries. He joined Kina Securities Limited in 1997 as the Chief Executive Officer and Executive Director and has been responsible for the significant growth of Kina Finance Limited and Kina Funds Management Limited. He spearheaded the drive for the establishment of the Port Moresby Stock Exchange. He is a Fellow of the Australian Institute of Company Directors, Fellow of Australian Institute of Management and a Fellow of Financial Services Institute of Australasia.

Website

www.kaml.com.pg

The Company has a website which provides much information about our investing strategies, share exposure and overall financial performance. It also offers our shareholders and stakeholders, the general public key information relating to the Company, such as public announcements, press releases and access to the previous annual reports.

The screenshot shows the homepage of Kina Asset Management Limited. At the top left is the company logo, 'KINA ASSET MANAGEMENT LIMITED'. A navigation menu includes links for HOME, ABOUT KAML, INVESTMENT PERFORMANCE, KEY INFORMATION & RESULTS, SHARE REGISTER, and CONTACT KAML. The main content area features a large banner for the 'DIVIDEND REINVESTMENT PLAN' with a 'CLICK HERE' button. Below the banner, there are three columns of text: a paragraph about the company's investment strategy, a statement on diversification, and a commitment to investor information. To the right, there are three sidebar sections: 'QUICK LINKS' with links to Annual Report, FAQs, and other documents; 'PRESS RELEASES' with a list of recent announcements; and 'ANNOUNCEMENTS' with a link to update details. At the bottom, there are three colored buttons for 'how to invest...', 'share register...', and 'investment performance', each with a 'READ MORE...' link. The footer contains the company's contact information and copyright notice.

KINA ASSET MANAGEMENT LIMITED

HOME | ABOUT KAML | INVESTMENT PERFORMANCE | KEY INFORMATION & RESULTS | SHARE REGISTER | CONTACT KAML

Welcome to Kina Asset Management Limited: a pioneer investment company, established to provide new, more diverse financial opportunities in its field in PNG.

DIVIDEND REINVESTMENT PLAN

[CLICK HERE](#)

KAML plans to build a portfolio of investments, that will generate regular dividends and steady capital growth for its participants. The Company's registered office is Douglas Street, Port Moresby and is listed on the Port Moresby Stock Exchange Ltd (POMSoX).

KAML has invested in a strong cross-section of diversified local and international stocks.

KAML is committed to ensuring that all investors remain well informed on the progress of their asset holdings and in its role in the commercial expansion of PNG. [Read more...](#)

Investment objective

The investment philosophy is built on taking a medium to long-term view of value, which means the aim is to buy and hold stocks over the longer term.

Over time the Company aims to:

[how to invest...](#) [share register...](#) [investment performance](#)

[Update your details now!](#)

QUICK LINKS

- [Annual Report](#)
- [Frequently Asked Questions](#)
- [How to Invest](#)
- [Investment Strategy](#)
- [Investment Portfolio](#)
- [Key Information & Results](#)
- [Shareholder Register](#)

PRESS RELEASES

- [KAML - Dividend Reinvestment Plan](#)
- [KAML KAML DELIVERS RECORD PROFIT - March 2011](#)
- [KAML - Media Release - KAML REPORT FORECASTS POSITIVE GROWTH - 19th November 2010](#)
- [NOTICE OF ANNUAL GENERAL MEETING - 27th May 2010](#)
- [KAML announces maiden share dividend - 28th March 2010](#)
- [POMSoX announcement Form 48 2009 results - 30 March 2010](#)
- [KAML - Media Release - 2009 Results - 30 March 2010](#)
- [KAML Launches new website www.kaml.com.pg - 16 February 2010](#)

ANNOUNCEMENTS

[Update your details now!](#)

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Investment Portfolio

for the financial year ended 31 December 2010

Assets Class	Sector	Exposure (%)
Domestic		
Cash		2.82
Fixed		1.34
Equities		
Bank South Pacific	Banking & Finance	8.37
Credit Corporation	Finance	11.74
City Pharmacy	Retail	2.12
New Britain Palm Oil	Agriculture	10.32
Oil Search Limited	Petroleum	11.04
		43.59
Total Domestic Portfolio		47.75
International		
Cash		17.02
Equities		
Commonwealth Bank	Banking	1.33
BHP Billiton	Mining	5.47
Newcrest Mining Limited	Mining	4.75
Westpac Banking Corporation	Banking	3.50
ANZ Bank Limited	Banking	2.21
Orica Limited	Material	2.62
Bluescope Steel Limited	Material	1.18
Woodside Petroleum Limited	Energy	2.24
		23.30
Exchange Traded Funds (ETF)		
iShares - MSCI All Country Asia ex Japan		7.16
Global Index Fund		
Vanguard International Index Fund	Global Funds	4.76
Total International Portfolio		52.25
Total Portfolio		100.00

Corporate Governance

Kina Asset Management Limited (KAML) has adopted an approach to Corporate Governance that seeks to match global practice.

The Board ensures that it complies with the requirements of the Port Moresby Stock Exchange (“POMSoX”). It also closely monitors developments in corporate governance principles and practice in other countries.

KAML is mindful of the advantages of demonstrating to investors that its corporate governance standards meet the requirements expected of companies listed in countries such as Australia. This Corporate Governance Statement therefore compares KAML’s corporate governance practices to the ASX Corporate Governance Council and Best Practice Recommendations as far as possible.

The Board of KAML is very aware of its responsibilities to shareholders. The set of Corporate Governance principles developed by KAML is therefore intended to provide a framework that will help to ensure that KAML deals fairly and openly with all its stakeholders.

KAML intends to publish its corporate governance practices on its web site, which is currently under construction.

1. The Board of Directors

a) Code of Conduct

The Board has adopted the following code, providing guidance to directors in performance of their duties.

1. Care, Skill and Diligence

A director has a duty to use reasonable care and diligence in fulfilling the functions of the office of director and exercising the powers attached to that office.

2. Good Faith

A director must act honestly, in good faith, and in the best interests of the Company as a whole and for a proper purpose.

3. Proper Purpose

A director must use the powers of office for a proper corporate purpose. A director’s primary responsibility is to the Company but the director should also have regard to the interests of people who have dealings with the Company.

4. No Misuse of Information

A director must not use information acquired as a director improperly to gain advantage for the director or for someone else or to cause detriment to the Company.

5. No Misuse of Position

A director must not misuse his or her position as a director improperly to gain advantage for the director or for someone else or to cause detriment to the Company.

6. Conflicts of Interest

A director must not give preference to personal interests, or to the interests of any associate or other person, where to do so would be in conflict with the interests of the Company.

7. Disclosure of Interests

A director must disclose to all other directors any material personal interest that he or she or any associate may have in a matter that relates to the affairs of the Company.

8. Accountability

A director has a duty to account to the Company for business opportunities which arise as a result of his or her being a director of the Company and to use Company resources only for the benefit of the Company.

9. Confidentiality

Confidential information received by a director in the course of his or her duties remains the property of the Company and should not be disclosed to any other person without the prior written consent of the Chairman of the Company unless the disclosure is required by law.

10. Business Decisions

When making a business decision, a director must make the decision in good faith for a proper purpose and without material personal interest, inform himself or herself about the subject matter of the decision, and rationally believe the decision to be in the best interests of the Company.

11. Reliance on Information

A director may rely on information or advice from Company Board committees, officers and competent experts and advisers provided he or she does so in good faith and makes an independent assessment of the information or advice.

12. Delegation

When delegating powers, a director must enquire as to a delegate’s reliability and competency and must reasonably believe in good faith that the delegate will act in conformity with the director’s duties and the Company constitution.

13. Compliance

A director should not engage in conduct likely to have an adverse effect on the reputation of the Company. A director must comply with all laws and regulations and act in accordance with this Code of Conduct.

Corporate Governance

b) Role and Responsibility of the Board

Key functions of the Board include:

- overall strategy of the Company, including operating, financing, dividend, and risk management.
- approving an annual strategic plan and an annual budget for the Company and monitoring results on a regular basis.
- ensuring that appropriate risk management systems are in place, and are operating to protect the Company's financial position and assets.
- ensuring that the Company complies with the law and relevant regulations, and confirms with the highest standards of financial and ethical behaviour.
- establishing authority levels
- directors' remuneration
- selecting, with the assistance of the Audit Committee, and recommending to shareholders, the appointment of external auditors.
- approving financial statements.

The Board has delegated to management responsibility for:

- developing the annual operating and capital expenditure budgets for Board approval, and monitoring performance against these budgets.
- developing and implementing strategies within the framework approved by the board, and providing the Board with recommendations on key strategic issues.
- developing and maintaining effective risk management policies and procedures.
- keeping the Board and the market fully informed of material developments.

c) Membership, expertise, size and composition of the Board

The Corporate Governance Principles determine that the majority of the Board should be independent.

At the date of this Report there are 4 directors, with 3 Non Executives designated as independent, plus the Managing Director. Under the Constitution, at each annual general meeting one-third of the company's Directors, in addition to any Director appointed during the year, excluding the Managing Director, must offer themselves for re-election by the shareholder. Normally, Non-Executive Directors are expected to serve a maximum of four three-year terms, dating from the AGM at which the newly elected Director is first confirmed by shareholders.

The Board has a broad range of skills, experience and expertise that enables it to meet its objectives. The Board accepts that it has responsibility to shareholders to ensure that it maintains an appropriate mix of skills and experience within its membership.

As is typical of small financial markets generally there are, in Papua New Guinea, very considerable demands on the relatively small numbers of people with the skills and experience to fill the demanding role of Non-Executive Director on the Boards of the nation's corporate institutions.

In these circumstances it is inevitable that a number of the Non-Executive Directors of KAML will also have roles on the Boards, or in Senior Management, of institutions that may be significant shareholders in, or substantial customers of, the Company. Directors of KAML are meticulous in handling situations where there could potentially be conflicts of interest, by declaring their interests in advance, and absenting themselves from any consideration of matters where a conflict might arise. The Company's Corporate Governance Principles require Directors to disclose any new Directorships and equity interests at each Board meeting.

The Board does not accept that any office bearer and/or employee of an institutional shareholder will have an automatic right to be appointed to the Board.

d) Role and selection of the Chairman

The Chairman is elected by the Directors and his role includes:

- ensuring all new Board members are fully aware of their duties and responsibilities.
- providing effective leadership on the company's strategy
- presenting the views of the Board to the public.
- ensuring the Board meets regularly throughout the year, and that Minutes are taken and recorded accurately.
- Setting the agenda of meetings and maintaining proper conduct during meetings.
- reviewing the performance of non-executive Directors

The Chairman is not permitted to occupy the role of the Managing Director.

Sir Rabbie Namaliu, who sits on the Board as an independent Non-Executive Director, is the current Chairman.

Corporate Governance

e) Director independence and Conflict of Interest

Directors are determined to be independent if they are judged to be free from any material or other business relationship with the Company that would compromise their independence.

In assessing the independence of Directors the Board will consider a number of criteria including:

- whether a Director is an executive of the Company.
- whether a Director is a substantial shareholder of the Company or otherwise associated directly with a substantial shareholder of the Company.
- whether a Director has a material contractual relationship with the Company or other group member other than as a Director of the Company.
- whether a Director is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

This information is assessed by the Board to determine whether on balance the relationship could, or could reasonably be perceived to, materially interfere with the exercise of the Director's responsibilities. Materiality is assessed on a case-by-case basis.

As noted earlier, the Board is cognisant of the need to avoid conflicts of interest and it has in place policies and procedures for the reporting of any matter, which may give rise to a conflict between the interests of a Director and those of the Company. These arrangements are designed to ensure that the independence and integrity of the Board are maintained.

Financial Note 13, Related party transactions, provides details of Directors' interests.

f) Meetings of the Board attendance

Scheduled meetings of the Board are held normally every two months, and the Board meets on other occasions as necessary to deal with matters requiring attention.

The Chairman, in consultation with the Managing Director, determines meeting agendas. Meetings provide regular opportunities for the Board to assess KAML's management of financial, strategic and major risk areas. To help ensure that all Directors are able to contribute meaningfully, papers are provided to Board members one week in advance of the meeting. Broad ranging discussion on all agenda items is encouraged, with healthy debate seen as vital to the decision making process.

g) Review of Board Performance

The Board is cognisant of the need to continually identify areas for improvement; to ensure that it meets the highest standards of corporate governance; and for the Board and each Director to make an appropriate contribution to the Company's objective of providing value to all its stakeholders. It is intended to extend the assessment of the Board as a whole to include an assessment of the contribution of each individual Director.

The performance review is conducted annually, and may involve assistance from external consultants.

h) Board Access to Information and Advice

All Directors have unrestricted access to company records and information and receive regular detailed financial and operational reports to enable them to carry out their duties. The Chairman and the other Non-Executive Directors have the opportunity to meet with the Managing Director for further consultation, and to discuss issues associated with the fulfilment of their roles as Directors.

2. Committees

a) Board Committees and Membership

The Board has established one Committee; namely the Audit Committee.

b) Committee Charter

The Committee Charter is still in the process of being finalised, and will soon be available in the shareholders information section of the KAML web site under construction.

c) Committee Structure

Committee members are chosen for the skills, experience and other qualities they bring to the Committee.

At the next Board meeting following each Committee meeting, the Board is given a report by the Chairman of the respective Committee and Minutes of the meeting are tabled. The Audit Committee is comprised of two Non-Executive Directors, who are duly appointed by the Board.

d) Audit Committee

The Audit Committee is delegated by the Board with responsibility for reviewing monitoring the:

- integrity of the financial statements and the financial reporting and audit process.
- external auditor's qualifications, performance and independence.
- systems of internal control of KAML
- systems for ensuring operational efficiency and cost control.

Corporate Governance

- systems for approval and monitoring compliance with laws and regulations (both in Papua New Guinea and overseas).
- implementation of Board decisions by management and making recommendations to the Board for the appointment of the external auditor.

In the course of fulfilling its mandate, the Committee meets with the external auditors.

i. Annual Financial Statements

The Audit Committee reviews the annual financial statements to determine whether they are complete and consistent with the information known to Committee members and to assess whether the financial statements reflect appropriate accounting principles.

ii. External Audit

The Audit Committee is responsible for making recommendations to the Board on appointment and terms of engagement of the external auditors.

The selection is made from appropriately qualified companies in accordance with Board policy.

The Board submits the name of the recommended appointee to shareholders for ratification.

The Committee ensures that significant findings and recommendations made by the external auditors are received and discussed promptly, and that management responds to recommendations by the external auditors in a timely manner.

The external auditor is invited to the Annual General Meeting of shareholders and is available to answer relevant questions from shareholders.

iii. Compliance

The Audit Committee reviews the effectiveness of the systems for monitoring compliance with all legal and regulatory obligations and the Constitution of the Company. The Committee obtains regular updates from management and satisfies itself that all regulatory compliance matters have been considered in the preparation of the financial statements. Reviews of the findings of any examinations by regulatory agencies are undertaken and the Chairman of the Audit Committee has the right to approach a regulator directly in the event of a prudential issue arising.

iv. Risk Management

The Committee's role in the Group's risk management process are detailed in 3(b) below.

3. Risk Management

a) Approach to Risk Management

The Company's Risk Management activities are aligned to the achievement of KAML's Objectives, Goals and Strategic Focus Plans.

KAML distinguishes the following major risks:

Credit Risk – The potential for financial loss where a customer or counter party fails to meet their financial obligation to the Company.

Market Risk – The potential financial loss arising from the Company's activities in financial, including foreign exchange, markets.

Liquidity Risk – The risk of failure to adequately meet cash demand in the short term without incurring financial losses.

Interest Risk – Risk to earnings from movement in interest rates.

Operational Risk – The risk of loss resulting from inadequate or failed internal processes, people, or from external events, including legal and compliance risk.

The Board of Directors monitors the above risks.

Operational risk is managed by the Managing Director.

The Company's risk management policy ensure that KAML has in place acceptable limits for the risks identified. The risk management approach encompasses the following:

- defining the types of risks that will be addressed by each functional or policy area.
- ensuring that mechanisms for managing (identifying, measuring, and controlling) risk are implemented and maintained to provide for organisation wide risk management.
- developing information systems to provide early warning, or immediate alert, of events or situations that may occur, or already exists, that could create one or more types of risk for the Company.
- creating and maintaining risk management tools, such as policies, procedures, controls and independent testing, personnel management and training, and planning.

b) Risk Management roles and Responsibilities

The Board accepts responsibility for ensuring it has a clear understanding of the types of risks inherent in the Company's activities. Therefore responsibility for overall risk management in KAML is vested with the Board.

There is a formal system of financial and operational delegations from the Board to the Managing Director.

The Board has also delegated to the Audit Committee

Corporate Governance

responsibility for overview of loss control and for overseeing the risk management function. The Audit Committee is responsible for providing regular reports and recommendations to the Board on the risk management activities of the Company.

c) Management Assurance

The Board is provided with regular reports about KAML's financial condition and its operating performance by KFM. Annually the Managing Director certifies to the Board that:

- the financial records of the Company have been properly maintained and that they accurately record the true financial position of the Company.
- the financial statements and notes meet all appropriate accounting standards.
- there are sound systems of risk management and control that re operating effectively.

4. Ethical Behaviour

Kina Asset Management Limited recognises its responsibilities as an investment company and is committed to being a responsible corporate citizen. The Company interprets its responsibilities as not only requiring it to abide by Papua New Guinean laws, but also requiring it to conduct its business in accordance with internationally-accepted practices and procedures.

The Company believes that these same responsibilities extend from the board and management to all workers providing services for the Company, whether or not they are employees of the Company.

Code of operations

The Company recognises the importance of conducting its operations in a manner consistent with the principles of honesty, integrity and fairness. Compliance with the relevant laws and regulations of each province in which it operates is expected.

Shareholders and the Financial Community

The Company is committed to increasing shareholder value in a manner consistent with its responsibilities to all stakeholders.

The Company recognises the benefits of fair, accurate, timely and understandable disclosure and aims to keep shareholders informed as to its true and fair financial position and performance.

Political Involvement

The Company may represent its views to governments and other third parties on matters which affect its business interests and the interests of its shareholders, employees and others involved in their businesses and operations.

Competition

The Company supports the principles of free and fair competition in the market in compliance with applicable competition and consumer protection laws.

Privacy and Information

The laws in relation to privacy, and the use of confidential or price sensitive information, will be respected by the Company.

Conflicts of Interest

Conflicts of interest should be avoided. Where a conflict of interest does arise, full disclosure must be made and all relevant persons must not participate in any related decision-making process.

Directors and Management of the Company are subject to restrictions for buying, selling or subscribing for securities in the Company if they are in possession of inside information, i.e. information which is not generally available and, if it were generally available, a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

Further Directors and management may only trade in the securities of the Company, subject to the foregoing insider trading restrictions, during each of the eight weeks following the announcements of half yearly profit and yearly profit or the date of issue of a prospectus. Management should discuss proposed share trades with the Managing Director in advance, who in turn will keep activities. Directors should discuss proposed share trades with the Chairman in advance.

In addition Directors and management must not trade in any other entity if inside information on such entity comes to the attention of the Director or management by virtue of holding office as an Officer of the Company.

5. Market Disclosure

The Company's continuous disclosure regime is fundamental to the rights of shareholders to receive information concerning their securities. The most important aspect of the Company's shareholder communication policy is to comply with the continuous disclosure regime and to implement best practice disclosure policy.

As a listed public company, the Company is required to comply with a continuous disclosure obligation contained in the Listing Rules of Port Moresby Exchange Limited (POMSoX). This continuous disclosure obligation is complemented by requirements under the Securities Act 1997 (PNG) (Securities Act).

Under Listing Rule 3.1, the Company is required to notify POMSoX immediately it is or becomes aware of: any

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information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The Company must not release this information to any other person (such as the media) until it has given the information to POMSoX and received an acknowledgment that POMSoX has released the information to the market (Listing Rule 15.7).

Exceptions to disclosure

Disclosure under Listing Rule 3.1 is not required where each of the following conditions is satisfied:

- a. a reasonable person would not expect the information to be disclosed; and
- b. the information is confidential, and
- c. one or more of the following applies:
 - (i) it would be a breach of a law to disclose the information;
 - (ii) the information concerns an incomplete proposal or negotiation;
 - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - (iv) the information is generated for the Company's internal management purposes; or
 - (v) the information is a trade secret.

The Company must meet its continuous disclosure obligation as soon as any one of paragraphs (a), (b) and (c) is no longer satisfied. For example, any information which is not confidential does not qualify for the exceptions from disclosure. It is therefore essential that information which is to be withheld is and remains subject to strict confidentiality obligations and is not leaked. If the information has been leaked, even in breach of a duty of confidentiality, it is no longer confidential, and disclosure of the information to POMSoX will be required.

Disclosure may also be required if POMSoX forms the view that the information has ceased to be confidential. In any event, information will have to be disclosed if a reasonable person would expect it to be disclosed, regardless of the fact that it is confidential and falls within any of the categories in paragraph (c) above (eg, it is a trade secret or relates to an incomplete proposal).

Awareness of information

Under POMSoX Listing Rule 19.12, the Company becomes aware of information if a director or executive officer of the Company has, or ought reasonably to have, come into possession of information in the course of the performance of their duties as a director or executive officer of the Company.

That is, the disclosure obligation applies not only to information of which the directors or executive officers are actually aware, but also information of which those persons ought reasonably to have been aware.

Accordingly, whenever a director or executive officer is in possession of information which may have a material effect on the price or value of the Company's shares, it is critical that the information is immediately communicated in accordance with this Disclosure Policy.

Materiality of information

For the purpose of Listing Rule 3.1, a reasonable person will be taken to expect particular information to have a material effect on the price or value of any of the Company's securities if the information would, or would be likely to, influence persons who commonly invest in such securities in deciding whether to acquire or dispose of the securities.

Appointment of an Authorised Officer

The Company has appointed the Company Secretary as the officer who has primary responsibility for administration of the Company's Disclosure Policy. The Company Secretary's responsibilities include:

- a. making sure that the Company complies with its continuous disclosure obligation, and monitoring that compliance;
- b. overseeing and co-ordinating disclosure of information to POMSoX, analysts, brokers, shareholders, the media and the public; and
- c. educating directors and employees on this Disclosure Policy and raising awareness of the principles underlying continuous disclosure.

Contravention and Liability

Contravention

The Company will contravene its continuous disclosure obligation if it fails to notify POMSoX of information required by Listing Rule 3.1 to be disclosed.

Liability

If the Company contravenes its continuous disclosure obligations, it may face criminal and civil liability under the Securities Act.

The Company's officers (including its directors and employees) and advisers who are involved in a contravention by the Company may also face criminal and civil liability.

Similarly, directors, officers and advisers may be criminally liable under the Criminal Code if they aid or abet, or are in any way knowingly concerned in, the Company's contravention.

Corporate Governance

Enforcement

The court has the power under the Securities Act to order the Company and its directors to comply with the Listing Rules, on the application of POMSoX, the Securities Commission or an aggrieved person (for example, a shareholder).

Roles and responsibilities of POMSoX and Securities

Commission

The Securities Commission and POMSoX jointly administer the continuous disclosure regime for listed companies in PNG. POMSoX is responsible for administering the Listing Rules while the Securities Commission is responsible for enforcing the Securities Act. POMSoX is required to notify the Securities Commission where it believes that there is an actual or anticipated serious contravention of the Listing Rules.

Unwanted publicity

Contravention of its continuous disclosure obligation may also lead to unwanted negative publicity for the Company.

Confidential information

As noted above, any information which is not confidential does not qualify for the exceptions described above. Information may also need to be disclosed if POMSoX has formed the view that confidentiality has been lost. POMSoX will normally consult first with the Company if it has concerns about loss of confidentiality, which may be prompted by otherwise unexplained share price movements or by reference to media or analyst reports with significant, credible and reasonably specific information.

Other Specific Disclosure Requirements POMSoX

Listing Rules

In addition to complying with Listing Rule 3.1, the Company also needs to comply with other disclosure requirements contained in the POMSoX Listing Rules.

6. Shareholder Communications

As a public listed company, KAML seeks to communicate with its shareholders in a timely and effective manner. KAML seeks to encourage effective participation at general meetings by the shareholders. A key means of doing this is through complying with this policy.

Half Year and Full Year Report

KAML's Half-Year Report and Annual Report are the most important media through which the Company provides its shareholders with a detailed review and analysis of its objectives and performance.

The Half-Year Report must be lodged with the Registrar and POMSoX by 13 September each year. KAML endeavours to lodge the document with the Registrar and POMSoX by the end of the first week in September and send it to shareholders, other than those who have elected not to receive it, shortly after that.

The Annual Report must be sent to shareholders not less than one month before the date fixed for holding the annual meeting of shareholders, or, if earlier, by 12 May each year. The document must be lodged with the Registrar and POMSoX at this time. KAML has applied for an extension for this first report.

Announcements to POMSoX

Significant developments affecting the Company may be the subject of an announcement to POMSoX.

Analyst and Media Briefings

The Company may conduct analyst and media briefings from time to time when a significant event occurs or at other times throughout the year as necessary.

Email

Whenever possible the Company will use email to communicate with shareholders who wish to receive communications in electronic form.

Shareholder meetings

The Company will generally hold our general meetings of shareholders in Port Moresby and all shareholders are entitled and encouraged to attend. Notice of shareholder meetings will be given and will set out matters to be considered at the meeting.

Kina Asset Management Limited

Consolidated annual report for the financial year ended 31 December 2010

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Directors' report

for the financial year ended 31 December 2010

The directors of Kina Asset Management Limited and its subsidiary submit herewith the annual financial report of the Company and the Group including the consolidated financial statements for the financial year ended 31 December 2010. In order to comply with the provisions of the Companies Act 1997, the directors report as follows:

The names, particulars and other office holdings of the directors and office holders of the company during or since the end of the financial year are:

Directors

Sir Rabbie Langanai Namaliu	Chairman
Richard Kiokwikora Sinamoi	Non - Executive Director
Gregory Frank Taylor	Non - Executive Director
Sydney George Yates	Chief Executive Officer, Managing Director

Company Secretary

The company secretary is Sydney George Yates.

Review of operations

During the period, the Holding Company reported a net loss of K241,190 (2009: net income of K503,751) after income tax expenses of K383,317 (2009: income tax benefit of K372,988), while the Group reported a net income of K5,532,632 (2009: net income of K4,266,157) after income tax expense of K535,287 (2009: income tax benefit of K626,737).

Changes in state of affairs

During the financial year there was no significant change in the principal activities or state of affairs of the company other than that referred to in the financial statements or notes thereto.

Change in accounting policies

No changes in accounting policies occurred during the period.

Dividends

No dividends have been declared by the company in respect of the year ended 31 December 2010 (2009: K1,796,194 dividend was paid on the 03rd June 2010 in respect of the year ended 31 December 2009).

Directors' remuneration

Remuneration paid to the directors is disclosed in note 16 to the financial statements. The total remuneration paid to directors' during the period was K150,000 and consisted of fixed directors' fees.

Remuneration above K100, 000 per annum

Nil.

Donations

No donations were made during the current period by the Company and the Group.

Independent audit report

The financial statements have been audited by Deloitte Touche Tohmatsu and should be read in conjunction with the independent audit report on page 17.

Subsequent events

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Company and the Group, the results of those operations, or the state of affairs of the Company and the Group in future financial years.

Signed in accordance with a resolution of the directors.

On behalf of the Directors

Sydney George Yates, Director
Port Moresby, 12 April 2011

Richard Sinamoi, Director
Port Moresby, 12 April 2011

Directors' declaration

The directors declare that:

- in the directors' opinion, there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable
- in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Companies Act 1997, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company and the Group.

Signed in accordance with a resolution of the directors.

On behalf of the Directors

Sydney George Yates, Director
Port Moresby, 12 April 2011

Richard Sinamoi, Director
Port Moresby, 12 April 2011

Independent audit report

for the financial year ended 31 December 2010



Deloitte Touche Tohmatsu

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National Capital District
Papua New Guinea

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Independent audit report to the members of Kina Asset Management Limited and its subsidiary

We have audited the accompanying financial statements of Kina Asset Management Limited and its subsidiary, which comprises the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Statements

The directors of Kina Asset Management Limited and its subsidiary are responsible for the preparation and true and fair presentation of these financial statements in accordance with the Companies Act 1997. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Audit Approach

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent audit report

for the financial year ended 31 December 2010

Audit Opinion

In our opinion,

- (a) the financial statements of Kina Asset Management Limited and its subsidiary give a true and fair view of the company's financial position as at 31 December 2010 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards; and comply with the Companies Act 1997; and
- (b) proper accounting records have been kept.

Other Information

We have no interest in the company or any relationship other than that of auditor of the company.



DELOITTE TOUCHE TOHMATSU



Suzaan Theron

Registered under the Accountants Act 1996

Partner, Chartered Accountants

Port Moresby, 20th day of April 2011.

Statement of Comprehensive Income

for the financial year ended 31 December 2010

	Note	2010 K	Consolidated 2009 K	2010 K	Company 2009 K
Revenue	3(a)	2,830,798	2,047,795	852,758	784,582
Directors' fees		(150,000)	(150,000)	(150,000)	(150,000)
Insurance		(69,704)	(68,039)	(69,704)	(68,039)
Management fees		(991,272)	(1,117,892)	-	-
Share registry fees		(53,353)	(46,999)	(53,353)	(46,999)
Other operating expenses	3(b)	(450,775)	(404,181)	(437,575)	(388,781)
		1,115,694	260,684	142,126	130,763
Movements in fair value of shares		4,788,793	1,108,785	-	-
Exchange Gain		163,432	2,269,951	-	-
Income before tax		6,067,919	3,639,420	142,126	130,763
Income tax (expense)/Benefit	6	(535,287)	626,737	(383,316)	372,988
Net Profit(loss) for the year		5,532,632	4,266,157	(241,190)	503,751
Other comprehensive income		-	-	-	-
Total comprehensive income (loss) for the year		5,532,632	4,266,157	(241,190)	503,751
Earnings(Loss) per share					
Basic (toea per share)		12	10	(0.005)	0.01
Diluted (toea per share)		12	10	(0.005)	0.01

Notes to the financial statements are included on pages 23 to 31.

Statement of Financial Position

for the financial year ended 31 December 2010

	Note	2010 K	Consolidated 2009 K	2010 K	Company 2009 K
Current assets					
Cash and cash equivalents	12(a)	10,470,985	10,695,313	1,430	1,124
Current Tax receivables		-	261,468	-	45,582
Trade and other receivables	4	568,440	609,504	450,401	25,303
Total current assets		11,039,425	11,566,285	451,831	72,009
Non-current assets					
Financial assets	8	38,955,767	34,041,976	-	-
Investment in subsidiary company	11	-	-	1	1
Due from related parties	16(c)	-	-	43,666,338	43,758,237
Deferred tax assets	6	224,570	423,527	111,116	380,579
Total non-current assets		39,180,337	34,465,503	43,777,455	44,138,817
Total assets		50,219,762	46,031,788	44,229,286	44,210,826
Current liabilities					
Trade and other payables	7	1,360,678	865,195	315,750	169,954
Current tax liabilities		82,539	-	-	-
Total current liabilities		1,443,217	865,195	315,750	169,954
Non current liabilities					
Deferred tax liabilities	6	173,287	138,952	121,445	7,591
Total non current liabilities		173,287	138,952	121,445	7,591
Total liabilities		1,616,504	1,004,147	437,195	177,545
Net assets		48,603,258	45,027,641	43,792,091	44,033,281
Equity					
Issued capital	5	44,904,807	44,904,807	44,904,807	44,904,807
Retained earnings (Accumulated loss)		3,698,451	122,834	(1,112,716)	(871,526)
Total equity		48,603,258	45,027,641	43,792,091	44,033,281

Notes to the financial statements are included on pages 23 to 31.

Statement of changes in equity

for the financial year ended 31 December 2010

	Fully paid ordinary shares K	Accumulated income/(loss) K	Total K
Consolidated			
Balance at 1 January 2009	44,904,807	(4,304,144)	41,083,128
Profit for the period	-	4,266,157	4,266,157
Balance at 31 December 2009	44,904,807	(37,987)	45,349,285
Balance at 1 January 2010	44,904,807	(37,987)	44,866,820
Profit for the period	-	5,532,632	5,532,632
Dividend paid for 2009	-	(1,796,194)	(1,796,194)
Balance at 31 December 2010	44,904,807	3,698,451	48,603,258
Company			
Balance at 1 January 2009	44,904,807	(1,375,277)	43,529,530
Profit for the period	-	503,751	503,751
Balance at 31 December 2009	44,904,807	(871,526)	44,033,281
Balance at 1 January 2010	44,904,807	(871,526)	44,033,281
Loss for the period	-	(241,190)	(241,190)
Balance at 31 December 2010	44,904,807	(1,112,716)	43,792,091

Notes to the financial statements are included on pages 23 to 31.

Statement of Cash Flows

for the financial year ended 31 December 2010

	Note	2010 K	Consolidated 2009 K	2010 K	Company 2009 K
Cash flows from operating					
Receipts from customers		1,768,318	3,759,033	-	47,306
Payments to suppliers and third parties		(1,220,957)	(898,466)	(566,172)	(591,776)
Tax paid		(317,635)	(267,782)	-	-
Net cash provided by/(used in) operating activities	12(b)	229,726	2,592,785	(566,172)	(544,470)
Cash flows from investing activities					
Payment for investment securities		(14,126,241)	(15,690,339)	-	-
Proceeds on sale of shares		15,468,379	770,746	-	-
Dividend Received		-	-	1,796,192	-
Net cash (used in)/provided by investing activities		1,342,138	(14,919,593)	1,796,192	-
Cash flows from financing activities					
Dividend paid		(1,796,192)	-	(1,796,192)	-
Amounts advanced to related parties		-	-	566,478	(11,367,100)
Net cash used in financing activities		(1,796,192)	-	(1,229,714)	(11,367,100)
Net (decrease)/ increase in cash and cash equivalents		(224,328)	(12,326,808)	306	(11,911,570)
Cash and cash equivalents at the beginning of the financial year		10,695,313	23,022,120	1,124	11,912,693
Cash and cash equivalents at the end of the financial year	12(a)	10,470,985	10,695,313	1,430	1,124

Notes to the financial statements are included on pages 23 to 31.

Notes to and forming part of the financial statements

for the financial year ended 31 December 2010

1. General information

Kina Asset Management Limited and its Subsidiary Kina Asset Management No. 1 Limited (the Group) is a limited Company incorporated in Papua New Guinea.

2. Significant accounting policies

Statement of compliance

The financial statements of Kina Asset Management Limited and its Subsidiary (the Group) have been prepared in accordance with International Financial Reporting Standards as adopted by the Accounting Standards Board of Papua New Guinea (ASB) and the requirements of the Papua New Guinea Companies Act 1997.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Papua New Guinea kina, unless otherwise noted.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary) (referred to as 'the Group' in these financial statements). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

(b) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(c) Comparative amounts

Where necessary, comparative figures have been adjusted to conform to current disclosure and reclassification of balances. This has not resulted in any adjustment to net assets or retained earnings.

(d) Financial instruments

Investments are recognised and derecognised on trade date where the purchase or sale of an

investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company financial statements.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity investments', 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss
Financial assets are classified as financial assets at fair value through profit or loss where the financial asset:

- i. has been acquired principally for the purpose of selling in the near future;
- ii. is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- iii. is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Held-to-maturity investments

Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates where that the group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Available-for-sale financial assets

Where applicable, certain shares and redeemable notes held by the Group would be classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain

Notes to and forming part of the financial statements

for the financial year ended 31 December 2010

or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.

Dividends on available-for-sale equity instruments are recognised in profit and loss when the Group's right to receive payments is established.

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in equity.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is

reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

Compound instruments

The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or upon the instruments reaching maturity. The equity component initially brought to account is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects and is not subsequently remeasured.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(e) Foreign currency

The individual financial statements of the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Papua New Guinea kina.

(f) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect

Notes to and forming part of the financial statements

for the financial year ended 31 December 2010

of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity,

in which case the deferred tax is also recognised directly in equity.

(g) Revenue

Changes in net market value of investments are recognised as income in the profit and loss in the period in which they occur. Changes in net market value are determined as the difference between the net market value at balance date or consideration received (if sold during the year) and the net market value at previous balance date or the cost (if the investment was acquired during the year).

Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(h) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(i) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Notes to and forming part of the financial statements

for the financial year ended 31 December 2010

	2010 K	Consolidated 2009 K	2010 K	Company 2009 K
3. Profit and loss				
(a) Revenue				
Interest income	182,728	1,193,832	-	-
Dividend income	1,180,936	659,270	-	-
Capital gain on investment securities	526,397	194,693	-	-
Trading gain on investment securities	940,737	-	-	-
Subsidiary management fees	-	-	852,758	784,582
	2,830,798	2,047,795	852,758	784,582
(b) Other operating expenses				
Bank charges	2,987	1,311	2,987	1,311
Entertainment	-	624	-	624
Internet charges	13,774	-	13,774	-
Professional fees	253,017	106,872	239,817	91,472
Listing fees	21,519	25,345	21,519	25,345
Office supplies	-	519	-	519
Registration fees	375	2,200	375	2,200
Postage	60,362	125,611	60,362	125,611
Travel and accommodation	13,167	14,538	13,167	14,538
Printing	70,175	107,343	70,175	107,343
Meeting	3,352	12,234	3,352	12,234
Advertising	12,047	7,584	12,047	7,584
	450,775	404,181	437,575	388,781

4. Trade and other receivables

Dividend receivable	-	37,336	-	-
Interest receivable	9,374	266,492	-	-
Dividend withholding tax	53,230	119,550	-	-
Interest withholding tax	45,582	160,823	45,582	-
Others	460,254	25,303	404,819	25,303
	568,440	609,504	450,401	25,303

5. Share capital

Issued capital:				
44,904,807 fully paid ordinary shares	44,904,807	44,904,807	44,904,807	44,904,807
	44,904,807	44,904,807	44,904,807	44,904,807

Fully paid ordinary shares carry one vote per share and the right to dividends.

6. Income taxes

Income tax recognized in profit or loss				
Tax expense/(income) comprises:				
Current tax expense/(income)	147,338	759,378	(38,257)	39,416
Deferred tax	78,481	-	80,895	-
Prior year unrecognized tax losses	(150,346)	(452,170)	-	(412,404)
Prior year over provision	459,814	(933,945)	340,678	-
Total tax expense/(income)	535,287	(626,737)	383,316	(372,988)

The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

Profit/(loss) before tax	6,067,919	3,639,420	142,126	130,764
Income tax expense calculated at 30%	1,820,376	1,091,826	42,638	39,229
Tax effect of permanent differences	(1,594,557)	(332,448)	-	187
Prior year under/(over) provision	459,814	(933,945)	340,678	-
Prior year unrecognized tax losses	(150,346)	(452,170)	-	(412,404)
	535,287	(626,737)	383,316	(372,988)

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Papua New Guinea corporate entities on taxable profits under Papua New Guinea tax law.

Notes to and forming part of the financial statements

for the financial year ended 31 December 2010

	2010 K	Consolidated 2009 K	2010 K	Company 2009 K
6. Income taxes continued				
Deferred tax assets comprise:				
Accrued Liabilities	186,313	39,900	72,859	39,900
Tax losses	38,257	383,627	38,257	340,679
	224,570	423,527	111,116	380,579
Deferred tax Liabilities comprise:				
Prepaid Insurance	7,992	7,591	7,992	7,591
Accounts Receivable	113,453	-	113,453	-
Interest receivable	2,813	79,947	-	-
Unrealized foreign exchange gain	49,029	51,414	-	-
	173,287	138,952	121,445	7,591

7. Trade and other payables

Trade payables	600	1,100	600	1,100
Accrued expenses	1,360,078	864,095	315,150	168,854
	1,360,678	865,195	315,750	169,954

8. Financial assets

Financial assets carried at fair value through profit or loss:

Current				
Listed securities	38,955,767	34,041,976	-	-
Movements:				
Balance at the beginning of the year	34,041,976	17,818,904	-	-
Purchases	14,126,241	15,690,339	-	-
Disposal	15,468,379	770,745	-	-
Gains on Sale	1,467,136	194,693	-	-
Changes in fair value	4,788,793	1,108,785	-	-
	38,955,767	34,041,976	-	-

Detailed listing of Investment as at:

Company	Market price	31 December 2010		Market price	31 December 2009	
		No. of units	Market value		No. of units	Market value
Bank South Pacific (BSP)	0.79	5,235,478	4,136,027	0.85	5,810,789	4,969,170
Credit Corporation (CCP)	1.80	3,223,435	5,802,183	1.77	3,223,435	5,705,480
City Pharmacy (CPL)	3.00	350,000	1,050,000	2.45	350,000	857,500
New Britain Palm Oil (NBO)	35.63	143,090	5,098,841	17.40	105,673	1,838,710
Oil Search (OSH)	18.29	298,400	5,456,457	14.60	266,153	3,884,566
Lihir Gold (LGL)	-	-	-	7.81	269,733	2,106,486
Commonwealth Bank of Australia (CBA)	131.87	5,000	659,351	130.60	5,000	652,976
Telstra (TLS)	-	-	-	8.17	130,000	1,061,667
BHP Billiton (BHP)	117.53	23,000	2,703,247	102.67	20,200	2,073,867
Newcrest Mining (NCM)	105.04	22,375	2,350,247	84.12	17,000	1,430,024
QBE Insurance Group (QBE)	-	-	-	60.95	30,500	1,859,048
Westpac Bank Limited ((WBC)	57.69	30,000	1,730,649	60.24	25,000	1,505,952
ANZ Bank Limited (ANZ)	60.65	18,000	1,091,688	54.48	8,000	435,810
Orica Limited (ORI)	64.68	20,000	1,293,506	62.02	10,000	620,238
Bluescope Steel Limited (BSL)	5.84	100,000	584,416	-	-	-
Woodside Petroleum Limited (WPL)	110.55	10,000	1,105,455	-	-	-
All Country Asia ex Japan (AAXJ)	163.33	21,675	3,540,250	148.56	18,675	2,774,358
Vanguard International Share Index Fund	2.75	856,002	2,353,450	2.68	856,002	2,296,124
			38,955,767			34,041,976

Notes to and forming part of the financial statements

for the financial year ended 31 December 2010

	2010 Toea per share	Consolidated 2009 Toea per share
9. Earnings per share		
Basic earnings and diluted per share		
Total basic earnings per share	12	10
Basic earnings per share		
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
	2010 K	2009 K
Net income/(loss) used in the calculation of basic and diluted EPS	5,532,632	4,266,157
	2010 No.	2009 No.
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	44,904,807	44,904,807

10. Contingent liabilities and contingent assets

There are no contingent assets or liabilities at balance date that require disclosure in the financial statements.

11. Subsidiaries

Name of entity	Country of incorporation	Ownership interest	
		2010 %	2009 %
Parent entity			
Kina Asset Management Limited	Papua New Guinea		
Subsidiaries			
Kina Asset Management No 1 Limited	Papua New Guinea	100	100

12. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	2010 K	Consolidated 2009 K	2010 K	Company 2009 K
Cash and cash equivalents	8,455,011	1,638,073	1,430	1,124
Interest bearing deposit	2,015,984	9,057,240	-	-
	10,470,995	10,695,313	1,430	1,124

(b) Reconciliation of loss for the period to net cash flows from operating activities

Net income/(loss)	5,532,632	4,290,809	(241,190)	334,550
(Gain)/loss on revaluation of fair value through profit or loss financial assets	(4,788,793)	(1,108,785)	-	-
Capital (gain)/loss on investment securities	(526,397)	(194,693)	-	-
Trading (gain)/loss on investment securities	(940,738)	-	-	-
Subsidiary management fees	-	-	(474,578)	(784,582)
Increase/(decrease) in current tax liability	128,120	(234,910)	45,582	-
Changes in net assets and liabilities:				
(Increase)/decrease in assets:				
Trade and other receivables	295,084	(1,056,757)	(155,635)	(164,958)
Increase/(decrease) in liabilities:				
Trade and other payables	529,817	897,121	259,649	70,520
Net cash from operating activities	229,726	2,592,785	(566,172)	(544,470)

Notes to and forming part of the financial statements

for the financial year ended 31 December 2010

13. Financial instruments

(a) Financial risk management objectives

Kina Funds Management Limited's finance function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and fair values.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(c) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Although there are no specific hedging activities, to mitigate any currency risks, this exposure is being monitored by management on a going concern basis. The Group does not engage in any hedging activities. The exchange rate used for conversion are AUD/Kina 0.3850 USD/Kina 0.3900 and GBP/Kina 0.2485.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets K	Liabilities K
Australian Dollar	22,090,029	-
US Dollar	3,563,895	-
GBP Pound	172,584	-

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of Australian Dollar, US Dollar and GBP Pounds.

The following table details the Group's sensitivity to a 10% increase and decrease in the Kina against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes listed shares and term deposits where the denomination of the investment is in a currency other than Kina. A positive number below indicates an increase in profit and other equity where the Kina strengthens 10% against the relevant currency. For a 10% weakening of the Kina against the relevant currency, there would be a comparable impact on the profit and other equity, and the balances below would be negative.

	Australian Dollar Impact		US Dollar Impact		GBP Dollar Impact	
	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
Profit or loss	(2,454,448)	2,008,185	(395,988)	323,990	(19,176)	15,689

(d) Interest rate risk management

The Group maintains its cash and bank balances with financial institutions that have credit standing.

(e) Liquidity risk

The Group invests the majority of its assets in investments that are traded in an active market. The Group holds securities that are listed on the Port Moresby Stock Exchange (POMSOX), the Australian Stock Exchange (ASX) and London Stock Exchange (LSX). Those securities listed on the ASX and LSX are considered readily realisable while those listed in the POMSOX are not due to illiquidity of the market. Ultimate responsibility for liquidity risk management rests with the board of directors, who has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate banking facilities.

(f) Other price risk

The Group is exposed to equity price risks arising from equity investments.

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If the equity prices had been 5% higher/lower net profit for the year ended 31 December 2010 would increase/decrease by K1,947,788.

(g) Fair value of financial instruments

The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values.

Notes to and forming part of the financial statements

for the financial year ended 31 December 2010

14. Segment reporting

Kina Asset Management Limited and Subsidiary comprises three segments, these being deposit, equities and currency. For the Management purposes, segment information determination is based on risk involved with deposit, equities and currency.

	Deposit K	Equities K	Currency K	KAML K	KAML K	Adjust inter Segments K	Total K
Revenue	182,728	7,436,863	163,431	7,783,022	852,758	(852,758)	7,783,022
Expenses	-	-	-	(1,857,230)	(710,632)	852,758	(1,715,103)
Operating Profit				5,925,792	142,126	-	6,067,919
Income Tax Benefit/(Expenses)				(151,970)	(383,317)	-	(535,287)
Net profit				5,773,822	(241,190)	-	5,532,632

15. Key management personnel compensation

Details of key management personnel

The directors and other members of key management personnel of the Group during the year were:

- Sir Rabbie Langanai Namaliu
- Richard Kiokwikora Sinamoi
- Gregory Frank Taylor
- Sydney George Yates

The total remuneration paid to directors' fees paid during the period was K150,000 and consisted of fixed directors' fees, as follows:

	2010 K	2009 K
Sir Rabbie Namaliu	60,000	60,000
Richard Sinamoi	45,000	45,000
Gregory Taylor	45,000	45,000
Sydney George Yates	Nil	Nil

Sydney George Yates received no fees for his services as director.

16. Related party transactions

(a) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 11 to the financial statements.

(b) Transactions with key management personnel

i. Key management personnel compensation

Details of key management personnel compensation are disclosed in note 16 to the financial statements.

ii. Loans to key management personnel

There have been no loans to key management personnel of the Group or to their related entities.

iii. Transactions with key management personnel of the Group

During the financial year there were no transactions with key management personnel.

(c) Transactions with other related parties

Other related parties include:

- entities with joint control or significant influence over the Group
- associates
- subsidiaries

Transactions between the Group and its related parties

During the year the company earned income of K852,758 from subsidiary company. A management fees is charged to subsidiary company, on the basis of total expenses incurred by the company plus 20%. Payment is through the intercompany account.

The following balances arising from transactions between the Company and its related parties are outstanding payables at year end:

- Kina Funds Management Limited: K668,948 (2009: K697,441)
- Kina Securities Limited: Nil (2009: K10,024)

Transactions and balances between the Company and its subsidiary were eliminated in the preparation of consolidated financial statements of the Group.

Notes to and forming part of the financial statements

for the financial year ended 31 December 2010

(d) Equity interests held by key management personnel

- Sydney George Yates: 3,000,000 shares held through Columbus Investments Limited (2009: 3,000,000)
- Sir Rabbie Langanai Namaliu: 50,000 shares held through Tobit Investments Limited (2009: 50,000)
- Richard Kiokwikora Sinamoi: 100,000 shares held directly (2009:100,000)
- Gregory Frank Taylor: 34,000 shares held directly (2009: 34,000)

(e) Interest register

Name of Director	Position	Entity
Sir Rabbie Namaliu	Director	Kina Securities Limited
	Director	Lalokau Holdings Limited
	Director	Marengo Mining Limited
	Director/Chairman	Tobit Investments Ltd
	Director/Chairman	Kramer Ausenco
	Director/Chairman	RDN International Limited
	Director	Bougainville Copper Limited
	Director/Chairman	Kina Asset Management No. 1 Limited
Richard Sinamoi	Director	Banora Trading Limited
	Secretary & Public Officer	Comrade Trustee Services Limited
	Director	Credit Corporation Limited
	Director	Hunter Limited
	Director	Pacific Capital Limited
	Director	Paradise Foods Limited
	Director	PNG Institute of Directors
	Director	Kina Asset Management No. 1 Limited
Gregory Taylor	Director / Chairman	Kumul Hotels Limited
	Director	Nambawan Super Limited
	Director / Chairman	Paradise Foods Limited
	Director	Kina Asset Management No. 1 Limited
	Director	Port Moresby Stock Exchange Limited
Sydney George Yates	Director	Air Niugini Limited
	Director	Columbus Investments Limited
	Director	Ela Makana Developments Limited
	Director	Kina Asset Management No. 1 Limited
	Director	Kina Finance Limited
	Director	Kina Funds Management Limited
	Director	Kina Investment and Superannuation Services Limited
	Director	Kina Morgan Corporate Limited
	Director	Kina Nominees Limited
	Director	Kina Securities Limited
	Director	Media Niugini Limited
	Director	Port Moresby Stock Exchange Limited

	2010 K	Consolidated 2009 K	2010 K	Company 2009 K
18. Remuneration of auditors				
Auditor of the parent entity				
Audit of the financial report	34,750	30,250	34,750	30,250

The auditor of the Group is Deloitte Touche Tohmatsu.

19. Subsequent events

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Company and the Group, the results of those operations, or the state of affairs of the Company and the Group in future financial years.

Shareholder Information

a. The distribution of ordinary shares according to size as at 31 March 2011 is as follows:

Size of holding	Number of holders	Number of shares	% of Issued Capital
1–1,000	1,973	1,281,822	2.85
1,001–5,000	522	1,371,275	3.05
5,001–10,000	104	908,067	2.02
10,001–100,000	81	2,683,295	5.98
100,001–9,999,999,999	22	38,660,348	86.10
TOTAL	2,702	44,904,807	100.00

b. The twenty largest shareholders of the ordinary shares as at 31 March 2011 were as follows:

Rank	Shareholder	Number of shares	% of Issued Capital
1.	COMRADE TRUSTEE SERVICES LIMITED	7,380,000	16.43
2.	KINA FUNDS MANAGEMENT LIMITED	6,822,260	15.19
3.	MONIAN LIMITED	4,609,604	10.27
4.	KINA NOMINESS LIMITED <MONIAN LIMITED>	3,600,000	8.02
5.	MOTOR VEHICLE INSURANCE LIMITED	3,500,000	7.79
6.	COLUMBUS INVESTMENTS LIMITED	3,000,000	6.68
7.	PACIFIC MMI INSURANCE LIMITED	3,000,000	6.68
8.	EAST NEW BRITAIN S & L SOC LIMITED	1,500,000	3.34
9.	MINERAL RESOURCES DC	1,000,000	2.23
10.	KINA SECURITIES LIMITED	880,000	1.96
11.	MR OK TEDI NO 2 LIMITED	500,000	1.11
12.	MR STAR MOUNTAIN LIMITED	500,000	1.11
13.	THEODIST LIMITED	500,000	1.11
14.	NEW GUINEA FRUIT COMPANY LIMITED	270,300	0.60
15.	ZOGI DISTRIBUTORS LIMITED	253,805	0.57
16.	MR NORMAN JOHN NIGHTINGALE + MRS DARRIE PADIR NIGHTINGALE	250,000	0.56
17.	PAPINDO TRADING CO LIMITED	250,000	0.56
18.	MIDAL ENTERPRISES LIMITED	210,000	0.47
19.	MAE LIMITED	197,316	0.44
20.	JOHN H BENNETH	150,000	0.33
TOTALS: TOP 20 HOLDERS OF FULLY PAID ORDINARY SHARES		38,373,285	85.45
TOTAL REMAINING HOLDERS BALANCE		6,531,522	14.55
TOTAL		44,904,807	100.00

c. Issued capital as at 31 March 2011 was 44,904,807 ordinary fully paid shares.

Corporate Directory

Kina Asset Management Limited is a registered company under the Papua New Guinea Companies Act 1997 and is incorporated and domiciled in Papua New Guinea.

Registered Office	Level 2, Deloitte Tower Douglas Street PO Box 1141 Port Moresby National Capital District Papua New Guinea	
Directors	Sir Rabbie Langanai Namaliu Richard Kiokwikora Sinamoi Gregory Frank Taylor Sydney George Yates	Chairman Non - Executive Director Non - Executive Director Chief Executive Officer, Managing Director
Secretary	Sydney George Yates	
Investment Manager	Kina Funds Management Limited	
Auditors	Deloitte Touche Tohmatsu Chartered Accountants PO Box 1275 Port Moresby Papua New Guinea	
Bankers	Westpac Bank Limited, Papua New Guinea Credit Suisse, Australia Bank of Queensland, Australia ANZ Bank, Australia	
Stock Exchange	Port Moresby Stock Exchange	
Broker	Kina Securities Limited	
Website	www.kaml.com.pg	



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