KINA
ASSET MANAGEMENT
LIMITED

2012
ANNUAL REPORT

Contents

Year In Summary

The company generated a net profit after tax of K4.73 million for the year ended December 2012 compared with a net loss after tax of K9.73 million for the year ended 2011.

Investment Portfolio had grown from K37.37 million in 2011 to K42.35 million in December 2012 increased by K6.18 million.

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.

Investment Income	K6.18m	Up 170.5% from 2011
Net Profit	K4.73m	Up 150.2% from 2011
Dividend	4 toea	Up 4 toea from 2011
Earnings Per Share	10 toea	Up 140.6% from 2011
Investment Portfolio	K42.35m	Up by 13.3% from 2011
Net Assets	K42.39m	Up 12.6% from 2011
Share Price	K0.90	Down 4.3% from 2011
Net Tangible Asset per share	K0.93	Up 13.4% from 2011

Chairman's Report

Kina Asset Management Limited is pleased to announce a strong return to profitability during 2012 in the face of continued trying global economic conditions.

The year 2012 was a year of contrasts in global financial markets as the global economy faced many headwinds with the ongoing European debt crisis, the U.S. fiscal cliff, and the economic slowdown in major emerging economies, including China. However, the year also saw gradual recovery continuing in the US and the Eurozone with economic activity expanding at a pace just slightly ahead of guidance.

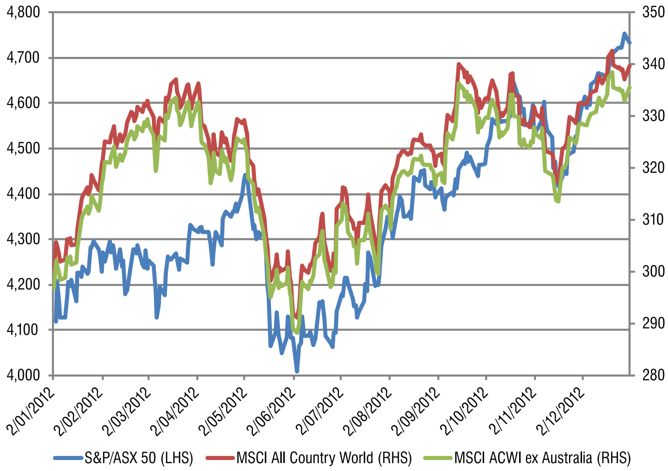
A sense of "cautious optimism" seemed to be the strong theme to emerge through to the end of the financial year. Although the economic data remained mixed from the northern hemisphere centres in Europe, to the US and China, company earnings and global equity markets generally performed well despite the sombre economic sentiments.

Through this highly volatile period, Kina Asset Management Limited, a publicly listed investment company has held steadfast its objectives to: provide a positive rate of return to shareholders by a combination of capital growth and income; provide shareholders with regular dividends; and preserve the capital of the company.

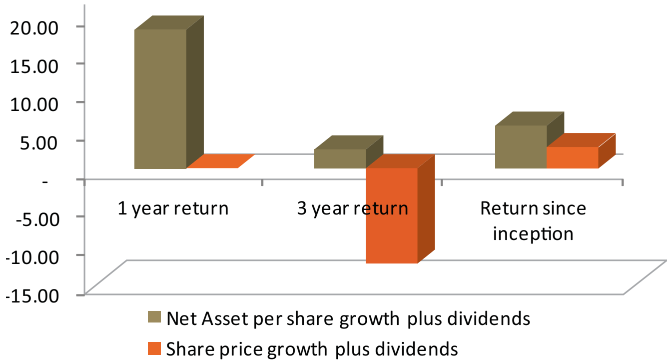
Given the Company's objectives, KAML is pleased to announce 2012 results which provided double digit investment gains reflecting your company's commitment to providing a positive rate of return, despite global economic uncertainty.

There have been important indicators showing that the Papua New Guinea economy continues to grow despite the highly volatile period of global markets. The nation continues to present itself as an emerging economy with continued potential for long term investment based on the development of mining, petroleum and gas hydrocarbons and the non-mining sector including agricultural resources and relative political stability.

Market Performance – International

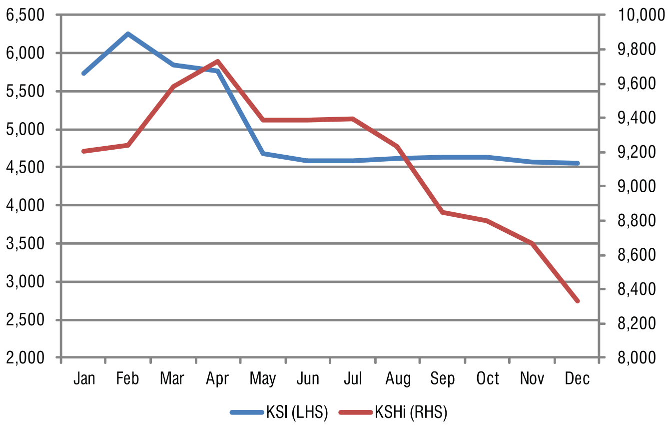


Portfolio & Share Price Performance % Per Year – Ended 31/12/2012



Chairman's Report

POMSoX Market Performance 2012



Papua New Guinea's major international energy investment, the Papua New Guinea LNG project continues with its construction program with partners remaining confident that the first shipment of gas export will be as projected in early 2014, despite significant cost increases in the construction budget.

This project, amongst others coming on line in the coming years, was reflected in Papua New Guinea's significant Real GDP growth which was around 9.2% in 2012 comparable to other major growth centres such as China and India.

On your behalf, KAML negotiated away the investment management performance fee in 2011, returning an improved return to shareholders in 2012.

We are also pleased to announce a return to dividends this year in line with our strong 2012 performance. KAML will continue to manage your funds responsibly and continue to review its investment strategy to take advantage of domestic and international investment opportunities.

KAML will continue to provide a sound investment vehicle for Papua New Guinea investors and we look forward to a solid 2013, conscious of the challenges that lay ahead. I would like to take the opportunity to thank the management and staff of the company for their tireless efforts in ensuring that the shareholders best interests are well served.

We are pleased to advise that a dividend of 4 Toea per share has been declared by the Board of Directors of the Company for the year 2012 and that shareholders will be given the opportunity to participate in the Company's Dividend Reinvestment Plan.

We look forward to continuing progress for the company in the future.

Sir Rabbie Namaliu GCL,CSM, KCMG
CHAIRMAN

CEO's Report

Kina Asset Management Limited is pleased to announce a superior performance in 2012 compared to 2011.

Given the Company's objectives, KAML is proud to announce that the 2012 results provided double digit investment gains reflecting your company's commitment to providing positive rate of return, despite ongoing global economic uncertainty.

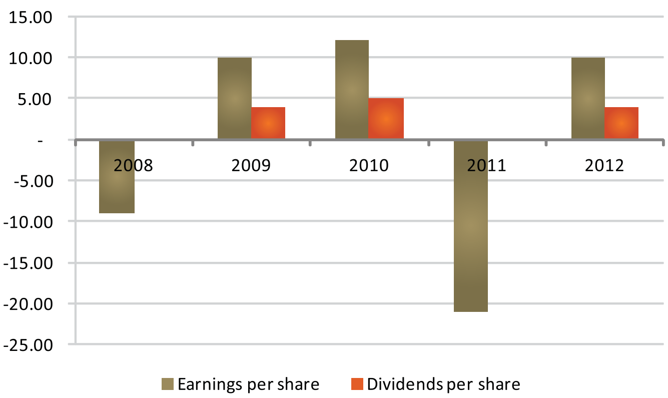
Kina Asset Management's asset allocation strategy into both regional and global markets has been the driving force in securing the returns for the shareholders in 2012. KAML was able to generate an investment gain of K6.10 million for the year ending 31 December 2012; representing a return of 14.85%. The year in review has been sound, with the investment team adopting positive strategies in trading management and investment.

During the year KAML resolved to increase its target allocation to Papua New Guinea (PNG) from 30% to a target geographical allocation of 40-50% domestic. KAML was able to surpass the domestic benchmarks, returning a positive 9.80% across the domestic portfolio as the market (KSi index) fell some 9.90% through 2012.This was achieved through a process of perpetually monitoring and revaluating each position, as well as holding domestic equities we felt had good growth prospects through the year in order to maximise returns.

Through 2012 our major contributors to the portfolio were our significant holdings in Credit Corporation Limited returning 14.4% and Bank of South Pacific returning 16.4% to the KAML domestic portfolio as a result of price appreciation (bolstered by their respective buyback programs) and attractive yields.

During the year KAML resolved to revise its target international allocation between 50-60% of the total portfolio. Across the international listed portfolio, the performance was largely in line with the international markets in which KAML was invested.

Earnings Per Share & Dividends Per Share



CEO's Report

Major contributors to the international portfolio were our significant holdings in ANZ Bank returning 42.0% and Westpac Bank (up 41.1%) in a bank lead resurgence in the ASX market. Through the volatile year, KAML also adopted a defensive/high yield strategy which saw our holdings in Telstra Limited and Mirvac Group returning 40.4% and 21.2% respectively to the KAML international portfolio.

In 2011 the PNG Kina appreciated some 23% compounding what was already a negative year in global equity markets globally. In 2012 the PNG Kina appreciated further by between 1-4% against the Australian Dollar and US Dollar respectively. KAML is pleased to be able to achieve a positive return and improved net outcome through 2012. We look forward to continuing to offer the people of Papua New Guinea a diversified, professionally managed listed investment company as a vehicle to invest in diverse opportunities both domestically and abroad.

Syd Yates OBE
Chief Executive Officer & Managing Director

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

Sir Rabbie Namaliu GCL, CSM, KCMG, a distinguished statesman, is a former Prime Minister of Papua New Guinea, a former Speaker of the Papua New Guinea National Parliament, and committed Papua New Guinean with ministerial experience in Foreign Affairs & Trade, Treasury, Primary Industry, Petroleum and Energy, and other areas of government responsibility including being Chairman of the Public Services Commission. Sir Rabbie Namaliu holds directorships of various Papua New Guinean companies, including non-Executive Director of Marengo Mining Limited, Bouganville Copper Limited and Director of InterOil Corporation Limited. Sir Rabbie Namaliu is the Chairman of the publicly listed investment company Kina Asset Management Limited and Kramer Ausenco, a joint venture of PNG engineering company Kramer (PNG) Limited and Ausenco of Australia. He is also the Chairman and non-Executive Director of Kina Securities Limited and recently became a Director of the Post Courier. Sir Rabbie Namaliu was appointed Chairman of the 2012 PNG Games Host Organising Committee by the East New Britain Provincial Government to plan and coordinate the preparations of the PNG Games held in Kokopo. Sir Rabbie Namaliu is currently a member of the Papua New Guinea Institute of Directors.

GREGORY TAYLOR AO — NON - EXECUTIVE DIRECTOR

Gregory Taylor is Chairman of Kumul Hotels Limited, Chairman of Paradise Foods Limited and recently retired as Director of 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. From 2000 he advised the then Secretary of the Treasury in PNG, and Chaired the original Superannuation Task Force.

SYDNEY GEORGE YATES OBE — CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

Syd holds a number of directorships including the Port Moresby Stock Exchange Limited, Kina Securities Limited and its Subsidiaries, Media Nuigini Limited, Chairman of Bemobile Limited and is a director of Papua New Guinea Sports Federation and 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 Managing 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 and established Kina Asset Management Limited. 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.

Historical Performance

for the financial year ended 31 December 2012

	2008*	2009	2010	2011	2012
Financial Perfomance					
Net Asset (K'm)	40.76	45.03	48.60	37.66	42.39
Movement (%)	(9.22)	10.48	7.93	(22.51)	12.56
Investment Income (K'm)	(2.22)	5.42	7.78	(8.77)	6.15
Investment Return (%)	(4.90)	12.59	17.25	(18.96)	14.85
Net Profit (K'm)	(4.14)	4.27	5.53	(9.43)	4.73
EPS (Toea)	(9.00)	10.00	12.00	(21.00)	10.00
NTA (PGK)	0.91	0.99	1.09	0.82	0.93
Dividend (Toea)	-	4.00	5.00	-	4.00
Share Price (PGK)	1.21	1.13	1.00	0.94	0.90
Asset Performance (%)					
Domestic Listed Equities	0.14	(13.79)	24.21	0.17	10.21
International Listed Equities	(1.80)	50.72	19.16	(14.32)	17.84
Exchange Traded Fund	-	39.94	14.25	(20.24)	23.35
Global Funds ex Australia	-	9.31	5.66	(5.27)	9.96
Benchmark (%)					
KSi Home Index	(36.15)	(5.83)	9.79	(1.86)	(9.90)
S&P/ASX 50	(20.27)	39.9	3.80	(13.14)	16.10
MSCI Asia All Country ex Japan	-	26.49	18.13	(17.31)	22.36
MSCI World ex Australia	-	9.31	(2.04)	(5.31)	14.14

* From 15 July to 31 December

[1] KSi Home Index – The KSi Home index is a ‘Price Index’ weighted by market capitalisation of Companies that are listed solely on the Port Moresby Stock Exchange. The index covers six of the largest stocks solely listed domestically and as trading volumes increase and information costs are reduced on the domestic bourse, the index will be converted into a Total Return Index.

[2] S&P/ASX 50 – comprises the 50 largest stocks by market capitalisation in Australia. The constituent companies represent the biggest national and multi-national publicly listed companies in the Australian equity market. The S&P/ASX 50 index places an emphasis on liquidity and investability. The constituents of the index are reviewed quarterly using the previous six months data.

[3] MSCI Asia All Country ex Japan - a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of Asia, excluding Japan. The MSCI AC Asia ex Japan Index consists of the following 10 developed and emerging market country indices: China, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan, and Thailand.

[4] MSCI World ex Australia - a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed markets. The MSCI World ex Australia Index consists of the following 23 developed market country indices: Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

Investment Portfolio

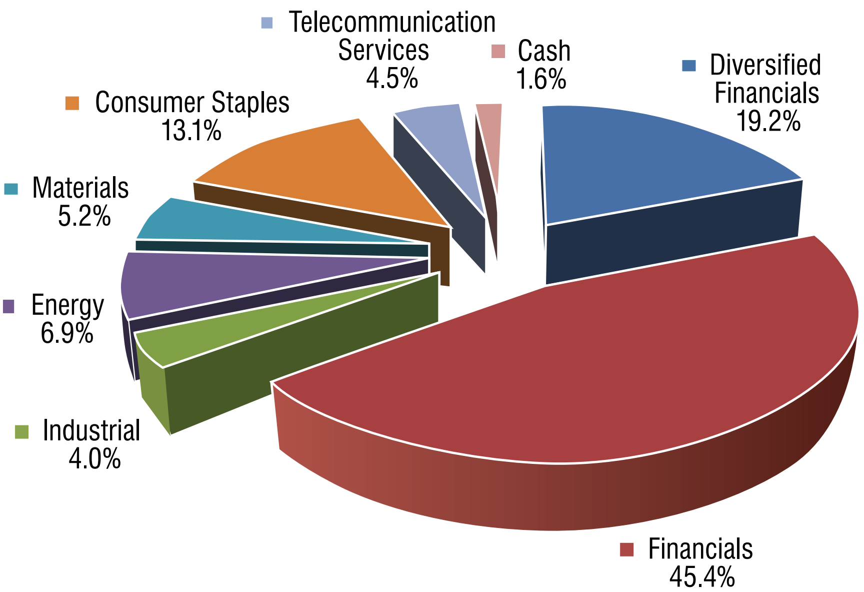
for the financial year ended 31 December 2012

Portfolio by Asset

Assets Class	Sector	Portfolio (%)
Domestic		(%)
Cash		0.2
Equities		
Bank South Pacific	Financials	9.2
Credit Corporation	Financials	14.6
City Pharmacy	Consumer Staples	3.9
New Britain Palm Oil	Consumer Staples	4.2
Oil Search Limited	Energy	6.9
Newcrest Mining Limited	Materials	0.8
		39.7
Total Domestic Portfolio		**39.8**
International		
Cash		1.4
Equities		
ANZ Bank Limited	Financials	6.2
National Australia Bank	Financials	4.4
Westpac Bank Limited	Financials	4.0
QBE Insurance Group	Financials	2.5
Mirvac Group	Financials	4.6
BHP Billiton	Materials	4.4
Coca Cola Amatil Limited	Consumer Staples	5.0
Transurban Group	Industrial	4.0
Telstra Limited	Telecommunication Services	4.5
		39.5
Exchange Traded Funds (ETF)		
iShare All Country Asia ex Japan	Diversified Financials	6.5
Global Index Fund		
Vanguard International Shares Index	Diversified Financials	12.7
Total International Portfolio		**60.2**
Total Portfolio		**100.0**

*** Global Industry Classification Standard (GICS) Classification**

Portfolio By Sector



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.

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 3 directors, with 2 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.

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 will be 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 available in the shareholders information section of the KAML website.

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.
- 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 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 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.

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. The document must be lodged with the Registrar and POMSoX at this time.

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 2012

Contents

for the financial year ended 31 December 2012

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 2012. 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

Sydney George Yates	Chief Executive Officer & Managing Director
Sir Rabbie Langanai Namaliu	Non - executive director
Gregory Frank Taylor	Non - executive director

Company Secretary

The Company secretary is Sydney George Yates.

Review of operations

During the period, the Holding Company reported a net income of K66,102 (2011: net income of K70,921) after income tax expense of K28,330 (2011: income tax expense of K30,394), while the Group reported a net income of K4,732,141 (2011: net loss of K9,425,975) after income tax expense of K488,000 (2011: income tax benefit of K398,078).

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 2012 (2011: Nil Dividend).

Directors' remuneration

Remuneration paid to the directors is disclosed in note 15 to the financial statements. The total remuneration paid to directors' during the period was K105,000 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.

Sydney George Yates
Director
Port Moresby, 21st March 2013

Sir Rabbie Namaliu
Director
Port Moresby, 21st March 2013

Directors' declaration

The directors declare that:

(a) 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

(b) 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, 21st March 2013

Sir Rabbie Namaliu
Director
Port Moresby, 21st March 2013

Deloitte.

Deloitte Touche Tohmatsu

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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 2012, 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.

Member of
Deloitte Touche Tohmatsu

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 2012 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
DELOITTE TOUCHE TOHMATSU

Paul Barber
Registered under the Accountants Act 1996
Partner, Chartered Accountants

Port Moresby, 21st day of March 2013.

Statement of Comprehensive Income

for the financial year ended 31 December 2012

		Consolidated		Company	
		2012	2011	2012	2011
	Note	K	K	K	K
Revenue	3(a)	2,684,301	633,558	566,589	607,888
Directors' fees		(105,000)	(150,000)	(105,000)	(150,000)
Insurance		(65,643)	(74,380)	(65,643)	(74,380)
Management fees		(442,106)	(534,176)	-	-
Share registry fees		(33,852)	(54,883)	(33,852)	(54,883)
Other operating expenses	3(b)	(285,264)	(241,611)	(267,664)	(227,311)
		1,752,438	(421,492)	94,432	101,315
Movements in fair value of shares		3,610,009	(8,331,199)	-	-
Exchange gain		(142,033)	(1,071,363)	-	-
Income/(loss) before tax		5,220,414	(9,824,053)	94,432	101,315
Income tax (expense)/benefit	6	(488,000)	398,078	(28,330)	(30,394)
Net Profit (loss) for the year		4,732,414	(9,425,975)	66,102	70,921
Other comprehensive income		-	-	-	-
Total comprehensive income (loss) for the year		4,732,414	(9,425,975)	66,102	70,921
Earnings (loss) per share					
Basic (toea per share)		10	(21)	0.1	0.2
Diluted (toea per share)		10	(21)	0.1	0.2

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

Statement of Financial Position

for the financial year ended 31 December 2012

		Consolidated		Company	
		2012	2011	2012	2011
	Note	K	K	K	K
Current assets					
Cash and cash equivalents	12(a)	672,093	3,435,710	11,033	117,097
Current Tax receivables		55,064	55,064	-	-
Trade and other receivables	4	372,254	137,061	378,174	323,598
Total current assets		1,099,411	3,627,835	389,207	440,695
Non-current assets					
Financial assets	8	41,668,835	33,936,567	-	-
Investment in subsidiary company	11	-	-	1	1
Due from related parties	16(c)	-	-	44,550,701	44,425,377
Deferred tax assets	6	267,204	387,052	111,981	55,751
Total non-current assets		41,936,039	34,323,619	44,662,683	44,481,128
Total assets		43,035,450	37,951,454	45,051,890	44,921,823
Current liabilities					
Trade and other payables	7	316,700	273,102	275,832	236,258
Current tax liabilities		285,700	13,069	21,087	13,069
Total current liabilities		602,400	286,171	296,919	249,327
Non current liabilities					
Deferred tax liabilities	6	42,514	7,161	99,778	83,405
Total non current liabilities		42,514	7,161	99,778	83,405
Total liabilities		644,914	293,331	396,697	332,732
Net assets		42,390,536	37,658,122	44,655,193	44,589,091
Equity					
Issued capital	5	45,630,887	45,630,887	45,630,886	45,630,886
Retained earnings (Accumulated loss)		(3,240,351)	(7,972,765)	(975,693)	(1,041,795)
Total equity		42,390,536	37,658,122	44,655,193	44,589,091

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

Statement of changes in equity

for the financial year ended 31 December 2012

	Fully paid ordinary shares	Accumulated loss	Total
	K	K	K
Consolidated			
Balance at 1 January 2011	44,904,807	3,698,451	48,603,258
Issue Shares	726,080	-	726,080
Dividend paid for 2010	-	(2,245,240)	(2,245,240)
Loss for the period	-	(9,425,975)	(9,425,975)
Balance at 31 December 2011	45,630,887	(7,972,765)	37,658,123
Balance at 1 January 2012	45,630,887	(7,972,765)	37,658,122
Profit for the period	-	4,732,414	4,732,413
Balance at 31 December 2012	45,630,887	(3,240,351)	42,390,535
Company			
Balance at 1 January 2011	44,904,807	(1,112,716)	43,792,091
Issue Shares	726,080	-	726,080
Profit for the period	-	70,921	70,921
Balance at 31 December 2011	45,630,887	(1,041,795)	44,589,092
Balance at 1 January 2012	45,630,887	(1,041,795)	44,589,092
Profit for the period	-	66,102	66,101
Balance at 31 December 2012	45,630,887	(975,693)	44,655,193

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

Statement of Cash Flows

for the financial year ended 31 December 2012

		Consolidated		Company	
		2012	2011	2012	2011
	Note	K	K	K	K
Cash flows from operating					
Receipts from customers		1,314,869	335,809	-	-
Payments to suppliers and third parties		(894,232)	(1,761,676)	(487,160)	(583,295)
Tax paid		(60,168)	-	(60,168)	-
Net cash provided by/(used in) operating activities	12(b)	360,469	(1,425,867)	(547,328)	(583,295)
Cash flows from investing					
Payment for investment securities		(13,770,297)	(7,365,711)	-	-
Proceeds on sale of shares		10,646,211	3,275,463	-	-
Dividend Received		-	-	-	2,245,240
Net cash (used in)/provided by investing activities		(3,124,086)	(4,090,248)	-	2,245,240
Cash flows from financing					
Issue shares		-	726,079	-	726,079
Dividend paid		-	(2,245,240)	-	(2,245,240)
Amounts advanced to related parties		-	-	441,265	(27,117)
Net cash used in finacing activities		-	(1,519,161)	441,265	(1,546,278)
Net (decrease)/ increase in cash and cash equivalents		(2,763,617)	(7,035,275)	(106,063)	115,667
Cash and cash equivalents at the beginning of the financial year		3,435,710	10,470,985	117,097	1,430
Cash and cash equivalents at the end of the financial year	12(a)	672,093	3,435,710	11,033	117,097

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

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:

a. has been acquired principally for the purpose of selling in the near future;

b. 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

c. 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 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 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.

	Consolidated 2012 K	Consolidated 2011 K	Company 2012 K	Company 2011 K
3. Profit and loss				
(a) Revenue				
Interest income	36,414	240,736	-	-
Dividend income	1,649,714	1,171,070	-	-
Trading gain/(loss) on investment securities	998,173	(778,249)	-	-
Subsidiary management fees	-	-	566,589	607,888
	2,684,301	633,558	566,589	607,888
(b) Other operating expenses				
Bank charges	917	3,604	917	3,604
Internet charges	2,098	3,960	2,098	3,960
Professional fees	145,585	98,044	127,985	83,744
Listing fees	19,879	21,629	19,879	21,629
Office supplies	-	889	-	889
Registration fees	-	300	-	300
Postage	50,024	50,455	50,024	50,455
Travel and accommodation	7,537	9,035	7,537	9,035
Printing	50,004	48,103	50,004	48,103
Meeting	3,721	143	3,721	143
Advertising	5,500	5,449	5,500	5,449
	285,264	241,611	267,664	227,311

	Consolidated 2012 K	Consolidated 2011 K	Company 2012 K	Company 2011 K
4. Trade and other receivables				
Dividend receivable	111,873	-	-	-
Interest receivable	-	-	-	-
Dividend withholding tax	180,785	63,906	-	-
Interest withholding tax	49,285	49,285	45,582	45,582
Others	29,837	23,870	332,592	278,016
	372,254	137,061	378,174	323,598

	Consolidated 2012 K	Consolidated 2011 K	Company 2012 K	Company 2011 K
5. Share capital				
Issued capital:				
45,653,330 fully paid ordinary shares	45,630,887	45,630,887	45,630,887	45,630,887
	45,630,887	45,630,887	45,630,887	45,630,887

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

	Consolidated 2012 K	Consolidated 2011 K	Company 2012 K	Company 2011 K
6. Income taxes				
Income tax recognised in profit or loss				
Current tax expense/(income)	463,977	(199,720)	68,187	13,069
Deferred tax	24,023	(198,357)	(39,857)	17,326
Prior year unrecognised tax losses	-	-	-	-
Prior year over provision	-	-	-	-
Total tax expense/(income)	488,000	(398,077)	28,330	30,395

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:

	Consolidated 2012 K	Consolidated 2011 K	Company 2012 K	Company 2011 K
Profit/(loss) before tax	5,220,414	(9,824,053)	94,432	101,315
Income tax expense calculated at 30%	1,566,125	(2,947,216)	28,330	30,394
Tax effect of permanent differences	(1,078,124)	2,549,139	-	-
Prior year under/(over) provision	-	-	-	-
Prior year unrecognised tax losses	-	-	-	-
	488,000	(398,077)	28,330	30,394

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.

	Consolidated 2012 K	Consolidated 2011 K	Company 2012 K	Company 2011 K
6. Income taxes continued				
Deferred tax liabilities comprise:				
Accrued liabilities	62,088	221,443	54,771	40,488
Tax losses	205,117	165,609	57,210	15,263
	267,205	387,053	111,981	55,751
Deferred tax liabilities comprise:	998,173	(778,249)	-	-
Prepaid insurance	8,951	7,161	8,951	7,161
Accounts receivable	-	-	90,827	76,244
Dividend receivable	33,562	-	-	-
	42,513	7,161	99,778	83,405
7. Trade and other receivables				
Trade payables	600	600	600	600
Accrued expenses	316,100	272,502	275,232	235,658
	316,700	273,102	275,832	236,258
8. Financial assets				
Financial assets carried at fair value through profit or loss:				
Current				
Listed securities	41,668,835	33,936,567	-	-
Movements:				
Balance at the beginning of the year	33,936,567	38,955,767	-	-
Purchases	13,770,297	7,365,711	-	-
Disposal	(10,646,211)	(3,275,463)	-	-
Gains/(loss) on Sale	998,173	(778,249)	-	-
Changes in fair value	3,610,009	(8,331,199)	-	-
	41,668,835	33,936,567	-	-

Detailed listing of Investment as at:

	31 December 2012			31 December 2011		
Company	**Market price**	**No. of units**	**Market value**	**Market price**	**No. of units**	**Market value**
Bank South Pacific (BSP)	8.06	485,848	3,915,935	7.53	363,548	2,737,516
Credit Corporation (CCP)	2.20	2,802,860	6,166,292	1.98	3,223,435	6,382,401
City Pharmacy (CPL)	1.55	1,066,127	1,652,497	1.12	1,050,000	1,176,000
New Britain Palm Oil (NBO)	17.13	103,035	1,765,016	23.28	143,460	3,340,368
Oil Search Limited (OSH)	15.23	193,000	2,939,874	13.31	353,216	4,701,022
Newcrest Mining Limited (NCM)	48.20	7,375	355,449	63.03	22,375	1,410,349
ANZ Bank Limited (ANZ)	54.43	48,000	2,612,777	43.72	29,000	1,267,824
Commonwealth Bank (CBA)	-	-	-	104.81	16,000	1,677,002
National Australia Bank (NAB)	54.32	34,000	1,847,023	-	-	-
Westpac Bank Limited (WBC)	56.58	30,000	1,697,523	42.59	30,000	1,277,683
QBE Insurance Group (QBE)	23.69	45,000	1,065,841	27.58	45,000	1,240,950
Mirvac Group (MGR)	3.23	600,000	1,936,115	-	-	-
BHP Billiton (BHP)	80.62	23,000	1,854,194	73.30	23,000	1,685,818
Woodside Petroleum Limited (WPL)	-	-	-	65.20	10,000	652,044
Coca Cola Amatil Limited (CCL)	29.23	73,000	2,133,529	24.51	31,000	759,817
Transurban Group (TCL)	13.23	127,000	1,680,639	-	-	-
Telstra Limited (TLS)	9.50	200,000	1,899,174	7.09	220,000	1,560,051
iShare All Country Asia ex Japan (AAXJ)	127.01	21,675	2,752,930	104.83	21,675	2,272,232
Vanguard International Shares Index	2.39	2,259,130	5,394,029	2.10	856,002	1,795,490
			41,668,835			33,936,567

	Consolidated 2012 Toea Per share	Consolidated 2011 Toea Per share
9. Earnings per share		
Basic earnings and diluted per share		
Total basic earnings per share	10	21

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:

	2012	2011
Net income/(loss) used in the calculation of basic and diluted EPS	4,785,301	9,475,005

	2012 No.	2011 No.
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	45,653,330	45,653,330

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 2012 %	Ownership interest 2011 %
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:

	Consolidated 2012 K	Consolidated 2011 K	Company 2012 K	Company 2011 K
Cash and cash equivalents	672,093	2,691,763	11,033	117,097
Interest bearing deposit	-	743,947	-	-
	672,093	3,435,710	11,033	117,097
(b) Reconciliation of loss for the period to net cash flows from operating activities				
Net income/(loss)	4,732,414	(9,425,975)	66,102	70,921
(Gain)/loss on revaluation of fair value through profit or loss financial assets	(3,610,009)	8,331,199	-	-
Capital (gain)/loss on investment securities	-	-	-	-
(Gain)/loss on sale investment securities	(998,173)	778,249	-	-
Subsidiary management fees	-	-	(566,589)	(731,921)
Increase/(decrease) in current tax liability	272,631	(69,470)	(56,230)	13,069
Changes in net assets and liabilities:				
(Increase)/decrease in assets:				
Trade and other receivables	(283,801)	(116,558)	(54,576)	182,168
Increase/(decrease) in liabilities:				
Trade and other payables	247,407	(923,312)	63,694	(117,532)
Net cash from operating activities	360,469	(1,425,867)	(547,328)	(583,295)

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 a ealisablesed, 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 0.4602 USD/Kina 0.4765 and GBP/Kina 0.2948.

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	Liabilities
2012	**K**	**K**
Australian Dollar	25,981,995	-
US Dollar	2,796,239	-
GBP Pound	1,765,016	-
TOTAL	30,543,250	-
2011		
Australian Dollar	18,487,389	-
US Dollar	4,196,222	-
GBP Pound	3,480,517	-
TOTAL	26,164,128	-

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)	(2,362,000)	2,886,888	(254,204)	310,693	(160,456)	196,113

(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 2012 would increase/decrease by K2,083,442.

(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.

13. Financial instruments

(g) Fair value of financial instruments

		Level 1	Level 2	Level 3
Financial assets at fair value through profit/(loss)	31-Dec-12	K	K	K
Listed securities	41,668,835	41,668,835	-	-
Total	41,668,835	41,668,835	-	-
Financial assets at fair value through profit/(loss)	31-Dec-11			
Listed securities	33,936,567	33,936,567	-	-
Total	33,936,567	33,936,567	-	-

14. Segment reporting

The Group's 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	Equities	Currency	KAML	KAML	Adjust inter Segments	Total
	10%	10%	10%				
Revenue	36,414	6,257,896	(142,033)	6,152,277	566,589	(566,589)	6,152,277
Expenses				(1,026,295)	(472,158)	566,589	(931,863)
Operating Profit				5,125,982	94,432	-	5,220,414
Income Tax Benefit/(Expenses)				(459,670)	(28,330)	-	(488,000)
Net profit				4,666,312	66,102	-	4,732,414

15. Directors and key management personnel compensation

Details of key management personnel

		2012	2011
		K	K
Sydney George Yates	CEO & Managing Director	Nil	Nil

Details of Directors Fees

The total remuneration paid to directors' during the period was K105,000 and consisted of fixed directors' fees, as follows:

	2012	2011
	K	K
Sir Rabbie Namaliu	60,000	60,000
Richard Sinamoi	-	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 15 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 K566,589 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.

A number of deposit transactions are entered into with Kina Finance Limited and its subsidiary in the normal course of business. These transactions are carried out on a commercial terms and market rates. Details are following.

	2012	2011
	K	K
Opening balance	743,747	850,589
Net movement	(743,747)	(106,842)
Closing balance	-	743,747
Interest Earned	3,023	13,996

Outstanding payable at year end of K40,869 (2011: K34,643) to Kina Funds Management Limited arising from transactions between the Company and its related parties.

Kina Securities Limited, the holding company of Kina Funds Management Limited earned brokerage of K21,319 (2011: K12,963) for executing trades for the company during the period.

(d) Equity interests held by key management personnel

- Sydney George Yates: 3,064,175 shares held through Columbus Investments Limited (2011: 3,064,175).
- Sir Rabbie Langanai Namaliu: 50,000 shares held through Tobit Investments Limited (2011: 50,000).
- Gregory Frank Taylor: 34,000 shares held directly (2011: 34,000).

(e) Interest register

Name of Director	Position	Entity
Sir Rabbie Namaliu	Director	Kina Securities Limited
	Director	InterOil Corporation Limited
	Director	Marengo Mining Limited
	Director	Tobit Investments Ltd
	Director/Chairman	Kramer Ausenco
	Director/Chairman	RDN International Limited
	Director	Bougainville Copper Limited
	Director	Kina Asset Management No.1 Limited
Gregory Taylor	Director / Chairman	Kumul Hotels Limited
	Director / Chairman	Paradise Foods Limited
	Director	Kina Asset Management No. 1 Limited
Sydney George Yates	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
	Director	Capital Way Limited
	Director	BeMobile Limited

Sydney George Yates through Columbus Investment Ltd is a 5% shareholder, Director and employee of Kina Securities Limited and its subsidiaries which provides services to Kina Asset Management Limited.

17. Remuneration of auditors

	Consolidated		Company	
	2012	2011	2012	2011
	K	K	K	K
Auditor of the parent entity				
Audit of the financial report	61,050	56,430	61,050	56,430

The auditor of the Group is Deloitte Touche Tohmatsu.

18. 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.

a. The distribution of ordinary shares according to size as at 30 April 2013 is as follows:

Range	Number of holders	Number of Shares	% of Issued Capital
1 - 1,000	1,902	1,224,488	2.68
1,001 - 5,000	553	1,345,148	2.95
5,001 - 10,000	98	808,943	1.77
10,001 - 100,000	85	2,589,683	5.67
100,001 - 9,999,999,999	23	39,685,068	86.93
Total	2,661	45,653,330	100.00

b. The twenty largest shareholders of ordinary equity shares as at 30 April 2013 as follows:

Rank	Shareholders	Number of Shares	% of issued capital
1.	MONIAN LIMITED	9,130,665	20.00
2.	COMRADE TRUSTEE SERVICES LTD	7,380,000	16.17
3.	KINA FUNDS MANAGEMENT LTD	4,614,140	10.11
4.	MOTOR VEHICLE INSURANCE LTD	3,500,000	7.67
5.	COLUMBUS INVESTMENTS LTD	3,064,175	6.71
6.	PACIFIC MMI INSURANCE LTD	3,000,000	6.57
7.	CREDIT CORPORATION (PNG) LTD	2,690,730	5.89
8.	EAST NEW BRITAIN S& L SOC LTD	1,500,000	3.29
9.	MINERAL RESOURCES DC	1,000,000	2.19
10.	MR OK TEDI NO 2 LTD	500,000	1.10
11.	MR STAR MOUNTAIN LTD	500,000	1.10
12.	THEODIST LTD	500,000	1.10
13.	KINA SECURITIES LTD	315,000	0.69
14.	NEW GUINEA FRUIT COMPANY LTD	270,300	0.59
15.	ZOGI DISTRIBUTORS LTD	253,805	0.56
16.	MR NORMAN JOHN NIGHTINGALE + MRS DARRIE PADIR NIGHTINGALE	250,000	0.55
17.	PAPINDO TRADING CO LTD	250,000	0.55
18.	MIDAL ENTERPRISES LTD	210,000	0.46
19.	MAE LTD	197,316	0.43
20.	KINA NOMINEES LTD <KERENGA KUA A/C>	155,160	0.34
Totals: Top 20 holders of FULLY PAID ORDINARY SHARES		**39,281,291**	**86.04**
Total Remaining Holders Balance		**6,372,039**	**13.96**
Total		**45,653,330**	**100.00**

c. Issued capital as at 30 April 2013 was 45,653,330 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 NCD Papua New Guinea
Directors	Sir Rabbie Langanai Namaliu Gregory Frank Taylor Sydney George Yates
Secretary	Sydney George Yates OBE
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

KINA
ASSET MANAGEMENT
LIMITED

Registered Office Level 2 Deloitte Tower Douglas Street
PO Box 1141 Port Moresby National Capital District Papua New Guinea
www.kaml.com.pg