



1st September 2015

Port Moresby Stock Exchange
Level 4, Defens Haus
Cnr of Hunter & Champion Pde
Port Moresby
National Capital District

Dear Mr Ivosa,

HALF YEAR DISCLOSURE – KINA ASSET MANAGEMENT LIMITED – 30 JUNE 2015

Enclosed is the Half Year Financial Report in compliance with the Port Moresby Stock Exchange Listing Rules 4.1 and 4.1.1 for your consideration and records.

Should there be any queries, please do not hesitate to contact the undersigned.

Yours faithfully
Kina Asset Management Limited

.....
Syd Yates, OBE
Director

Encl

| | | | | Current Period | Previous Corresponding period |
|------|---|--|--|----------------|----------------------------------|
| | | | | K | K |
| 1.1 | Sales (or equivalent operating) revenue) | | | 1,976,878 | 1,755,645 |
| 1.2 | Share of associates "net profit(loss) attributable to shareholders" (equal to item 16.7) | | | - | - |
| 1.3 | Other Revenue | | | 341,757 | -173,228 |
| 1.4 | Operating profit (loss) before abnormal items and tax | | | 1,883,698 | 1,120,393 |
| 1.5 | Abnormal items before tax (detail in item 2.4) | | | - | - |
| 1.6 | Operating profit (loss) before tax (items 1.4 + 1.5) | | | 1,883,698 | 1,120,393 |
| 1.7 | Less tax | | | -999,782 | 407,413 |
| 1.8 | Operating profit (loss) after tax but before outside equity interest | | | 2,883,480 | 712,980 |
| 1.9 | Less outside equity Interest | | | - | - |
| 1.10 | Operating profit(loss) after tax attributable to shareholders | | | 2,883,480 | 712,980 |
| 1.11 | Extraordinary items after tax (detail in item 2.6) | | | - | - |
| 1.12 | Less outside Equity Interest | | | - | - |
| 1.13 | Extraordinary items after tax attributable to shareholders | | | - | - |
| 1.14 | Total Operating profit(loss) and extraordinary items after tax (items 1.8 + 1.11) | | | 2,883,480 | 712,980 |
| 1.15 | Operating profit (loss) and extraordinary items after tax attributable to outside equity interest (items 1.9 +1.12) | | | - | - |
| 1.16 | Operating profit (loss) and extraordinary items after tax attributable to shareholders (item 1.10+1.13) | | | 2,883,480 | 712,980 |
| 1.17 | Retained profits (accumulated losses) at beginning of financial period | | | 886,839 | 3,124,461 |
| 1.18 | If change in accounting policy as set out in clause IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. adjustments as required by that clause | | | - | - |
| 1.19 | Aggregate of amounts transferred from reserves | | | | |
| 1.20 | Total available for appropriation (carried forward) | | | 3,770,319 | 3,837,441 |
| 1.21 | Dividend provided for or paid | | | - | - |
| 1.22 | Aggregate of amounts transferred to Reserves | | | - | - |
| 1.23 | Retained profits (accumulated losses) at end of financial period | | | 3,770,319 | 3,837,441 |
| 1.24 | Operating profit(loss) after tax before outside equity interests (items 1.8) and amortisation of goodwill | | | 2,883,480 | 712,980 |
| 1.25 | Less(plus) outside equity interest | | | - | - |
| 1.26 | Operating profit(loss) after tax (before amortisation of goodwill) attributable to shareholders | | | 2,883,480 | 712,980 |

| | | At end of current period K | As shown in last annual report K | As in last half yearly report K |
|------|---|-------------------------------|--|---------------------------------------|
| | Current Assets | | | |
| 4.1 | Cash | 7,712,352 | 4,136,815 | 2,403,010 |
| 4.2 | Receivables | 1,198,390 | 265,279 | 576,302 |
| 4.3 | Investments | 41,658,678 | 42,566,500 | 48,201,556 |
| 4.4 | Inventories | - | - | - |
| 4.5 | Other (provide details if material) | - | - | - |
| 4.6 | Total Current assets | 50,569,420 | 46,968,594 | 51,180,868 |
| | Non Current Assets | | | |
| 4.7 | Receivables | - | - | - |
| 4.8 | Investment in associates | - | - | - |
| 4.9 | other investments | 1,311,861 | 1,304,762 | - |
| 4.10 | Inventories | - | - | - |
| 4.11 | Exploration for and evaluation of Mineral resources (see para. 71 of IFRS 6) | - | - | - |
| 4.12 | Development properties (mining entities) | - | - | - |
| 4.13 | Other property, plant and equipment (net) | - | - | - |
| 4.14 | Intangibles (net) | - | - | - |
| 4.15 | Other (provide details if material) | - | 251,638 | 239,120 |
| 4.16 | Total Non current Assets | 1,311,861 | 1,556,400 | 239,120 |
| 4.17 | Total Assets | 51,881,281 | 48,524,994 | 51,419,988 |
| | Current Liabilities | | | |
| 4.18 | Accounts payables | 365,867 | 292,721 | 301,723 |
| 4.19 | Borrowings | - | - | - |
| 4.20 | Provisions | - | 998,888 | 1,173,830 |
| 4.21 | Other (provide details if material) | - | - | - |
| 4.22 | Total current liabilities | 365,867 | 1,291,609 | 1,475,553 |
| | Non Current Liabilities | | | |
| 4.23 | Accounts payable | - | - | - |
| 4.24 | Borrowings | - | - | - |
| 4.25 | Provisions | - | - | - |
| 4.26 | Other (provide details if material) | 16,254 | - | - |
| 4.27 | Total non- current liabilities | 16,254 | - | - |
| 4.28 | Total Liabilities | 382,121 | 1,291,609 | 1,475,553 |
| 4.29 | Net Assets | 51,499,160 | 47,233,385 | 49,944,435 |

| Consolidated Balance Sheet (continued) | | | | |
|---|--|-------------------------------|--|---------------------------------------|
| | | At end of current period K | As shown in last annual report K | As in last half yearly report K |
| | Equity | | | |
| 4.30 | Capital | 47,728,841 | 46,346,546 | 46,106,994 |
| 4.31 | Reserves | - | - | - |
| 4.32 | Retained Profits (accumulated losses) | 3,770,319 | 886,839 | 3,837,441 |
| 4.33 | Equity attributable to shareholders of the parent entity | 51,499,160 | 47,233,385 | 49,944,435 |
| 4.34 | Outside equity to shareholders of the parent entity | - | - | - |
| 4.35 | Total equity | 51,499,160 | 47,233,385 | 49,944,435 |
| 4.36 | Preference Capital included as part of 4.33 | - | - | - |

| Exploration and evaluation expenditure capitalised | | | | |
|--|---|--|---------------------|---------------------------------------|
| <i>To be completed only by entities with mining interest if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit</i> | | | | |
| | | | Current Period K | Previous Corresponding period K |
| 5.10 | Opening Balance | | - | - |
| 5.2 | Expenditure incurred during current period | | - | - |
| 5.3 | Expenditure written off during current period | | - | - |
| 5.4 | Acquisition, disposals, revaluation, increments, etc | | - | - |
| 5.5 | Expenditure transferred to development properties | | - | - |
| 5.6 | Closing balance as shown in the consolidated balance sheet (item 4.11) | | - | - |
| Development properties | | | | |
| <i>To be completed only by entities with mining interest if amounts are material</i> | | | | |
| | | | Current Period K | Previous Corresponding period K |
| 6.1 | Opening Balance | | - | - |
| 6.2 | Expenditure incurred during current period | | - | - |
| 6.3 | Expenditure transferred from exploration and evaluation | | - | - |
| 6.4 | Expenditure written off during current period | | - | - |
| 6.5 | Acquisition, disposals, revaluation, increments, etc | | - | - |
| 6.6 | Expenditure transferred to mine properties | | - | - |
| 6.7 | Closing balance as shown in the consolidated balance sheet (item 4.12) | | - | - |

| Consolidated Statement of Cash Flows | | Current Period K | Previous Corresponding period K |
|--|--|---------------------|---------------------------------------|
| Cash Flows related to operating activities | | | |
| 7.1 | Receipts from customers | 1,175,364 | 938,404 |
| 7.2 | Payment for purchases of equity investments | -3,928,073 | -14,652,188 |
| 7.3 | Proceeds from sale of equity investments | 5,358,183 | 11,783,719 |
| 7.4 | Payments to suppliers and employees | -401,980 | -628,187 |
| 7.5 | Dividends received from associates | - | - |
| 7.6 | Other Dividends received | - | - |
| 7.7 | Interest and other items of similar nature received | - | - |
| 7.8 | Interest and other finance paid | - | - |
| 7.9 | Income taxes paid | -10,252 | -103,069 |
| 7.10 | Other (due largely to movement in customer deposits) | - | - |
| 7.11 | Net Operating cash flows | 2,193,242 | -2,661,321 |
| Cash flows related to investing activities | | | |
| 7.12 | Payment of purchase of property, plant and equipment | - | - |
| 7.13 | Proceeds from sale of property, plant and equipment | - | - |
| 7.14 | Loans to other entities | - | - |
| 7.15 | Loans repaid by other entities | - | - |
| 7.16 | Other | | |
| 7.17 | Net Investing cash flows | 0 | 0 |
| Cash flows related to financing activities | | | |
| 7.18 | Proceeds from issues of securities (shares, options, etc) | 1,382,295 | - |
| 7.19 | Proceeds from borrowings | - | - |
| 7.20 | Repayment of borrowings | - | - |
| 7.21 | Dividend paid | - | - |
| 7.22 | Other (provide details if material) | - | - |
| 7.23 | Net financing cash flows | 1,382,295 | - |
| 7.24 | Net Increase (decrease) in cash held | 3,575,537 | -2,661,321 |
| 7.25 | Cash at beginning of period <i>(see reconciliation of cash)</i> | 4,136,815 | 5,064,331 |
| 7.26 | Exchange rate adjustment to item 7.25 | - | - |
| 7.27 | Cash at end of period <i>(see reconciliation of cash)</i> | 7,712,352 | 2,403,010 |
| Non-cash financing and investing activities | | | |
| <i>Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows. If an amount is qualified, show comparative amount.</i> | | | |
| | | | |
| | | | |
| | | | |

| Reconciliation of cash | | | |
|-------------------------------|---|------------------|---------------------------------|
| | Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current Period K | Previous Corresponding period K |
| 8.1 | Cash on hand and at Bank | 7,712,352 | 2,403,010 |
| 8.2 | Deposits at call- From other Banks | - | - |
| 8.3 | Bank Overdraft | - | - |
| 8.4 | Other (provide details) - Due to other banks | - | - |
| 8.5 | Total cash at end of period(items 7.27) | 7,712,352 | 2,403,010 |
| | | | |
| | Ratios | Current Period K | Previous Corresponding period K |
| | | | |
| | Profit before abnormal and tax sales | | |
| 9.1 | Operating profit (loss) before abnormal items and tax (item 1.4) as a percentage of sales revenue(item 1.1) | 95.29% | 63.82% |
| 9.2 | Operating profit (loss) after tax attributable to shareholders (item 1.10) as a percentage of equity (similarly attributable) at the end of period(item 4.33) | 5.60% | 1.43% |

| | | | Current Period K | Previous Corresponding period K |
|------|--|--|------------------|---------------------------------|
| | Earnings per share (EPS) | | | |
| 10.1 | Calculation of the following in accordance with IAS 33: <i>Earnings per share</i> | | | |
| | (a) Basic EPS | | 0.06 | 0.02 |
| | (b) Diluted EPS (if material differently from (a)) | | n/a | n/a |
| | © Weighted average number of ordinary shares (K'000) outstanding during the period used in the calculated of the basic EPS | | 47,718,284 | 46,154,407 |
| | NTA backing (see note 7) | | | |
| 11.1 | Net tangible asset backing per ordinary security | | 1.08 | 1.08 |
| | Details of specific receipts/outlays,revenues/expenses | | | |
| | | | Current Period K | Previous Corresponding period K |
| 12.1 | Interest revenue included in determining item 1.4 | | 118,079 | 10,593 |
| 12.2 | Interest revenue included in item 12.1 but not yet received (if material) | | 28,130 | - |
| 12.3 | Interest expense included in item 1.4(include all forms of interest,lease finance charges, etc) | | - | - |
| 12.4 | Interest costs excluded from item 12.3 and capitalised in asset values (if material) | | - | - |
| 12.5 | Outlays(except those arising from the acquisition of an existing business) capitalised in intangibles (if material) | | - | - |
| 12.6 | Depreciation and amortisation (excluding amortisation of intangibles) | | - | - |

| Control gained over entities having material effect | | | |
|--|---|-----|-----|
| | see note 8 | | |
| 13.1 | Name of entity (or group entities) | N/A | |
| | | | |
| | | | |
| 13.2 | Consolidated operating profit(loss) and extraordinary items after tax of the entity(or group of entities) since the date in the current period period on which control was acquired | | N/A |
| 13.3 | Date from which such profit was calculated | | N/A |
| 13.4 | Operating profit(loss) and extraordinary items after tax of the entity (or group of entities) for the whole of the corresponding period | | N/A |
| | | | |
| | | | |
| Loss of control of entities having material effect | | | |
| | | | |
| 14.1 | Name of Entity (or group of entity) | | N/A |
| | | | |
| | | | |
| 14.2 | Consolidated operating profit(loss) and extraordinary items after tax of the entity(or group of entities) for the current period to the date of loss of control | | N/A |
| 14.3 | Date to which the profit(loss) in item 14.2 has been calculated | | |
| 14.4 | Consolidated operating profit(loss) and extraordinary items after tax of the entity(or group of entities) while controlled during the whole of the previous corresponding period | | N/A |
| 14.5 | contribution to consolidated operating profit(loss) and extraordinary items from sale of interest leading to loss of control | | N/A |

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|------|---|----------------------------|-------------------|
| | Reports for industry and geographical segments | | |
| | | | |
| | | | |
| | | | |
| | Segments | | |
| | | | |
| | <u>Operating Revenue</u> | | |
| | Sales to customers outside the economic entity | 1,976,878 | 1,755,645 |
| | Total Revenue | 1,976,878 | 1,755,645 |
| | Segment result (including abnormal items where relevant) | 1,883,698 | 1,120,393 |
| | Consolidated operating profit before tax (equal to item 1.6) | 1,883,698 | 1,120,393 |
| | Segment assets | 51,881,281 | 51,419,988 |
| | Total assets (equal to item 4.17) | 51,881,281 | 51,419,988 |
| | | | |
| | Dividends (in the case of a trust, distribution) | | |
| | | | |
| 15.1 | Date the dividend(distribution) is payable | | 7/08/2015 |
| | | | |
| 15.2 | Record date to determine entitlements to the dividends (distribution) (ie, on the basis of registrable transfers received up to 5.00 pm | | 17/07/2015 |
| | | | |
| 15.3 | If it is a final dividend, has it been declared? preliminary report only - Special dividend | | n/a |
| | | | |
| | Amount per security | | |
| | | Amount per security | |
| | (Preliminary final report) | | |
| 15.4 | Final Dividend: Current year: | n/a | n/a |
| | | | |
| 15.5 | Previous year | 0.02 | 954,366 |
| | | | |
| | Half yearly and preliminary final reports | | |
| 15.6 | Interim Dividend: Current year | n/a | n/a |
| | | | |
| 15.7 | Previous year | n/a | n/a |
| | | | |

| Total dividend (distribution) per security (interim plus final) <i>(preliminary final report only)</i> | | | |
|---|---|---------------------|--|
| | | Current year | Previous year |
| 15.8 | Ordinary securities | n/a | 954,336 |
| 15.9 | Preference securities | n/a | n/a |
| Half yearly report- interim dividend(distribution) on all securities or Preliminary final report- final dividend(distribution) on all securities | | | |
| | | Current year K | Previous year K |
| 15.10 | Ordinary Securities | n/a | n/a |
| 15.11 | Preference securities | n/a | n/a |
| 15.12 | Total | n/a | n/a |
| The dividend or distribution plans shown below are in operation | | | |
| n/a | | | |
| The last date(s) for receipt of election notices for the dividend or distribution plans | | n/a | |
| Any other disclosures in relation to dividends (distributions) | | | |
| n/a | | | |
| Details of aggregate share of profits (losses) of associates | | | |
| Entity share of associates | | Current period K | Previous corresponding period K |
| 16.1 | Operating profit(loss) before income tax | - | - |
| 16.2 | Income tax expense | - | - |
| 16.3 | Operating profit(loss) after income tax | - | - |
| 16.4 | Extraordinary items net of tax | - | - |
| 16.5 | Net profit(loss) | - | - |
| 16.6 | Outside equity interest | | |
| 16.7 | Net profit(loss) attributable to shareholders | - | - |

| Material interest in entities which are not controlled entities | | | | | |
|---|---|--|-------------------------------|---|---------------------------------|
| Kina Asset Management Limited has no material interest(s) in any other entity. | | | | | |
| | Name of Entity | Percentage of ownership interest held at end of period or date of disposal | | Contribution to operating profit(loss) and extraordinary items after tax(item 1.14) | |
| | | Current period | Previous corresponding period | Current period K | Previous corresponding period K |
| 17.1 | Equity accounted associated entities | n/a | n/a | n/a | n/a |
| 17.2 | Total | n/a | n/a | n/a | n/a |
| 17.3 | Other material interest | n/a | n/a | n/a | n/a |
| 17.4 | Total | n/a | n/a | n/a | n/a |
| Issued and quoted securities at end of current period | | | | | |
| Description includes rate of interest and any redemption or conversion rights together with prices and dates. | | | | | |
| | Category of securities | | Number issued | Number quoted | Amount paid per share(toea) |
| 18.1 | Preference securities (description) | | n/a | n/a | n/a |
| 18.2 | Issued during period | | 1,329,130 | | 1.04 |
| 18.3 | Ordinary Securities | | 47,718,284 | - | - |
| 18.4 | Issued during current period Cancellation of bonus shares) | | | - | - |
| 18.5 | Convertible debt securities (description and factor) | | - | | |
| 18.6 | Issued during current period | | - | | |

| | | | | | |
|--|---|--|-----|----------------|----------------------|
| 18.7 | Options (description and conversion factor) | | | Exercise price | Expiry date (if any) |
| | Executive Management Share Option Plan | | n/a | n/a | |
| | Executive Management Share Option Plan | | n/a | n/a | |
| | | | | | |
| 18.8 | Issued during current period | | n/a | n/a | |
| 18.9 | Exercised during current period | | n/a | n/a | |
| 18.10 | Expired during current period | | n/a | | |
| 18.11 | Debentures (total only) | | n/a | | |
| 18.12 | Unsecured notes (totals only) | | n/a | | |
| | | | | | |
| | | | | | |
| Comments by directors | | | | | |
| Comments on the following matters are required by POMSoX or, in relation to the half yearly report, by IAS 34. Half year accounts and consolidated Accounts. The comments do not take the place of the directors report (as required by the companies Act 1997) and may be incorporated into the directors report. For both half yearly and preliminary final reports, if there are no comments in a section state Nil. If there is insufficient space to comment attach notes to this report. | | | | | |
| | | | | | |
| | | | | | |
| Basis of accounts preparation | | | | | |
| If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and IAS 34. Half-year accounts and consolidated accounts. It should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period. | | | | | |
| | | | | | |
| | | | | | |
| Material factors affecting the revenues and expenses of the economic entity for the current period | | | | | |
| | n/a | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible) | | | | | |
| | n/a | | | | |
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| Changes in accounting policies since the last annual report are disclosed as follows | | | | | |
| (Disclose changes in the half yearly report in accordance with paragraph 15 c of IAS 34. Half-year accounts and consolidated accounts. Disclose changes in the preliminary final report in accordance with IAS1: Accounting Policies Disclosure) | | | | | |
| There have been no changes in accounting policies since the last annual report | | | | | |
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|------|---|--|---------|--|--|
| | Additional disclosure for trust | | | | |
| 19.1 | Number of units held by the management company or a related party of it | | n/a | | |
| | | | | | |
| 19.2 | A statement of the fees and commissions payable to the management company | | | | |
| | initial service charges | | - | | |
| | Management fees | | 182,529 | | |
| | other fees | | - | | |
| | | | | | |
| | | | | | |
| | Annual meeting | | | | |
| | (preliminary final report only) | | | | |
| | The annual meeting will be held as follows: | | | | |
| | Place | | n/a | | |
| | Date | | n/a | | |
| | Time | | n/a | | |
| | Approximate date the annual report will be available | | n/a | | |
| | | | | | |

| | | | |
|---|---|---|--|
| 1 This report has been prepared under accounting policies which comply with International Financial Reporting Standards approved by the Accounting Standards Board pursuant to the Companies Act 1997 or other Standards acceptable to POMSoX (see note 13) | | | |
| Identify other standards used | | International Financial Reporting Standards | |
| 2 Report the financial statements prepared under the Companies Act 1997 (if separate), use accounting policies. | | | |
| 3 This report does give a true and fair view of the matters disclosed (see note 2) | | | |
| 4 This report is based on financial statements to which one of the following applies. | | | |
| <input type="checkbox"/> | The financial statements have been audited | <input checked="" type="checkbox"/> | The financial statements have been subject to review |
| <input type="checkbox"/> | The financial statements are in the process of being audited or subject to review | <input type="checkbox"/> | The financial statements have not yet been audited or reviewed |
| 5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/ will follow immediately they are available (delete one) | | | |
| 6 The entity has a formally constituted audit committee. | | | |
| Sign here..... | | Date..... | |
| Director | | 27 th AUGUST 2015 | |
| Print name..... SYD YATES & SIR RABBIE NAMALIU | | | |