



KINA ASSET MANAGEMENT LIMITED
APPENDIX 4B STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

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• Results for announcement to the market
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**FINAL YEAR RESULTS FOR ANNOUNCEMENT TO THE MARKET
AS AT 31 DECEMBER 2019**

The reporting period is the full year ended 31 December 2019, and the corresponding prior period is the year ended 31 December 2018.

Highlights

Kina Asset Management Ltd (**KAML** or the **Company**) recorded a net profit after tax of K14,437,475 after adjustments for the full year ended 31 December 2019.

The Company's return of 24.1% for the full year was achieved in a market which has recovered strongly from the subdued economic activity and volatile financial market conditions of the second half of 2018.

Dividend and interest income contributed strongly to the Company's performance, totalling K4.4 million. Key contributors to dividend income were Bank of South Pacific (BSP) Credit Corporation (CCP) and Vanguard International.

Capital gains totalled K11.0 million for the full year, led by continued growth in BSP Bank, and increases in the prices of all international stocks held by the company.

There was little movement in the PNG Kina against the Australian dollar during the half-year, and a nominal currency exchange loss of K0.3 million was recorded. Asset allocation at 31 December 2019 was 40.2% invested in domestic stocks, cash and fixed income; and 59.8% invested in international stocks and cash.

Key portfolio holdings as a percentage of the Fund at 31 December 2019 were: BSP at 22.1%, Mirvac Group at 6.5%, Vanguard at 11.6%, CSL at 7.5% and Telstra at 5.2%. Cash holdings stood at 8.3% as the fund's manager, Kina Funds Management (KFM), continues to maintain a vigilant approach to the evaluation of new growth opportunities for the Company.

The Company's equity investments results performed strongly against their respective benchmarks: Domestic equities (29.1%) again outperformed the benchmark KSI Home Index (15.0%); ASX-listed equities and global equity funds generated returns of 27.0% and 28.0% respectively, against their PGK-equivalent benchmark S&P/ASX200 Accumulation and MSCI World ex-Australia Index returns of 23.4% and 28.0% respectively.

Net tangible asset backing per share as at 31 December 2019 was K1.53 (2018: K1.26 pre dividend), an increase of 21.1% from the corresponding period.

Domestic Investments

- BSP continues to maintain its position as the biggest driver of the Company's investment performance, with a total return of 28.4%. This return was attributable to a 14.8% increase in share price, and a dividend yield of 13.6% from final dividend payments of K0.4 per share. BSP is the Company's largest investment, representing 22.1% of the portfolio at 31 December 2019.
- Kina Securities recorded the strongest performance of the Company's domestic portfolio at 66.7%, attributable to a 57.1% increase in share price, and dividend returns of 9.7%.
- The next-best performer in the domestic portfolio was Credit Corporation at 32.2%, attributable to a 17.5% increase in share price, and dividend returns of 14.7%.

International Investments

- CSL, Mirvac, Transurban and Telstra were the best performing ASX-listed stocks in the international portfolio, generating total returns of 55.3%, 48.4%, 34.0% and 30.6% respectively at year end.
- The Company's global equity funds also performed strongly, with BlackRock iShares (28.7%) outperforming its counterpart Vanguard (27.8%).

Review and Outlook

Global equity prices rose strongly in 2019, and in most developed markets levels are now close to, or above, the highs achieved towards the end of Q3/2018. With the 2019/20 reporting season currently underway, expectations of corporate earnings have been generally flat or modestly lower. The increases in market valuation largely reflect changes in investors' risk appetite, and expectations that central banks monetary policy will be more accommodative, and for longer, than previously expected. Notwithstanding, measures of equity market valuation – such as the price-earnings ratio – remain around their long term averages.

The outlook for the global economy remains reasonable, but with strong headwinds. The geo-political (trade and technology) disputes which damaged global trade flows in 2019 gave way to escalating tensions in the middle-east early this year, and more recently, the COVID-19 outbreak has effectively stalled economic activity in parts of China and south-east Asia. At the same time, unemployment rates in developed economies remain low, and inflation remains very low. Of concern is the slow pick of wages growth, which is acting as a drag on aggregate demand, particularly in Australia. .

In PNG, the announcement that State negotiating team and Exxon Mobil had failed to reach agreement on terms for development of the P'nyang gas project has placed a cloud over PNG's economic outlook. PNG's banks expect foreign currency flows will slow during the year, adding to difficult domestic business conditions, and placing considerable pressure on the PNG Government to successfully execute increased external (foreign) borrowings to fund its deteriorating fiscal position.

The Board completed a formal review of the Company's Investment Strategy in 2019, (the new strategy has been published on the website, <http://www.kaml.com.pg/>). Notwithstanding an overweight liquidity position held throughout the year, the Fund has added a number of new stocks to the portfolio, and outperformed its benchmark indices in 2019. New investments include Suncorp, Sydney Airport, and increased exposure to the global health care sector in ResMed and Sonic Healthcare, In Q1/2020, global equity markets have seen the return of some volatility, and the COVID-19 outbreak continues to dominate the outlook. The Company's fund manager, KFM, is currently assessing the impact of these developments on new growth opportunities.

Top 5 Holdings as at 31 December 2019

	Asset	Percentage of Portfolio (%)	Value of Investment (PGK)
1.	Bank South Pacific	22.1	16,372,056
2.	Vanguard Int'l Shares Index Fund	11.6	8,605,995
3.	CSL	7.5	5,590,174
4.	Mirvac Group	6.5	4,781,755
5.	Telstra	5.2	3,841,402

Brands KAML Invests In



Financial Year ended 31 December 2019			
Kina Asset Management Limited and Subsidiary			
Company No	Half yearly	Final	financial year ended
HUBSP0000055.		X	31-Dec-19
Extracts from this report for announcement to the market (see note 1)			
Sales (or equivalent operating) revenue (item 1.1)			4,686,816
Abnormal after tax attributable to shareholders (Item (2.5))			-
Operating profit (loss after tax (before amortisation of goodwill) attributable to shareholders (item 1.26)			14,437,475
Operating profit (loss) after tax attributable to shareholders (item 1.10)			14,437,475
Extraordinary items after tax attributable to shareholders item 1.13			-
Operating profit(loss) and extraordinary items after tax attributable to shareholders (item 1.16)			14,437,475
Dividend (distributions)		Amount per + security	
Final dividend (preliminary final report only -item 15.4)		n/a	n/a
Interim Dividend (Half yearly report only - Item 15.6)		0.03	1,466,087
Previous corresponding period (Preliminary final report -item 15.5 Half yearly report - Item 15.7)		n/a 0.02	n/a 974,290
Record date for determining entitlements to the dividend (In the case of a trust, distribution) (see item 15.2)			NA

K I N A A S S E T M A N A G E M E N T L I M I T E D

				Current Period K	Previous Corresponding period K
1.1	Sales (or equivalent operating) revenue)			4,686,816	4,290,857
1.2	Share of associates "net profit(loss) attributable to shareholders" (equal to item 16.7)			-	-
1.3	Other Revenue			11,147,366	2,951,494
1.4	Operating profit (loss) before abnormal items and tax			14,450,685	328,068
1.5	Abnormal items before tax (detail in item 2.4)			-	-
1.6	Operating profit (loss) before tax (items 1.4 + 1.5)			14,450,685	328,068
1.7	Less tax			13,210	208,935
1.8	Operating profit (loss) after tax but before outside equity interest			14,437,475	119,133
1.9	Less outside equity interest			-	-
1.10	Operating profit(loss) after tax attributable to shareholders			14,437,475	119,133
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)			14,437,475	119,133
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)			14,437,475	119,133
1.17	Retained profits (accumulated losses) at beginning of financial period			12,540,411	14,853,205
1.18	If change in accounting policy (include brief description)				
1.19	Aggregate of amounts transferred from reserves				
1.20	Total available for appropriation (carried forward)			26,977,887	14,972,338
1.21	Dividend provided for or paid			1,466,087	2,431,927
1.22	Aggregate of amounts transferred to Reserves			-	-
1.23	Retained profits (accumulated losses) at end of financial period			25,511,800	12,540,411
	Profit restated to exclude amortisation of goodwill				
1.24	Operating profit(loss) after tax before outside equity interests (items 1.8) and amortisation of goodwill			14,437,475	119,133
1.25	Less/plus) outside equity interest			-	-
1.26	Operating profit(loss) after tax (before amortisation of goodwill) attributable to shareholders			14,437,475	119,133

Intangible, abnormal and extra ordinary items	Consolidated- current period			
	Before tax K	Related tax K	Related outside equity interest K	Amount (after tax)attributable to shareholders K
2.1 Amortisation of goodwill				
2.2 Amortisation of other intangibles	-	-	-	-
2.3 Total Amortisation of Intangibles	-	-	-	-
2.4 Abnormal items	-	-	-	-
2.5 Total abnormal items	-	-	-	-
2.6 Extraordinary items	-	-	-	-
2.7 Total extraordinary items	-	-	-	-
Comparison of half year profits			Current year - K' 000	Previous year K' 000
3.1 Consolidated operating profit(loss) after tax attributable to shareholders reported for the 1st half year (item 1.10 in the half yearly report)			11,288,766	1,217,194
3.2 Consolidated operating profit(loss) after tax attributable to shareholders for the second half year			3,148,709	-1,098,061

	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	6,124,373	8,543,950	9,491,226
4.2 Receivables	774,463	611,178	1,314,998
4.3 Investments	66,230,402	50,629,192	60,270,036
4.4 Inventories	-	-	-
4.5 Other (provide details if material)	-	-	-
4.6 Total Current assets	73,129,238	59,784,320	71,076,260
Non Current Assets			
4.7 Deferred Tax Asset	158,235	101,383	105,729
4.8 Investment in associates	-	-	-
4.9 Investments	1,821,750	1,806,285	1,813,740
4.10 Inventories	-	-	-
4.11 Exploration and evaluation expenditure capitalised	-	-	-
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)	-	-	-
4.16 Total Non current Assets	1,979,985	1,907,668	1,919,469
4.17 Total Assets	75,109,223	61,691,988	72,995,729
Current Liabilities			
4.18 Accounts payables	423,893	214,013	203,112
4.19 Borrowings	-	-	-
4.20 Current Tax Liability	-	63,518	75,112
4.21 Other (dividend payable)	-	-	-
4.22 Total current liabilities	423,893	277,531	278,224
Non Current Liabilities			
4.23 Deferred Tax Liabilities	53,226	55,744	70,028
4.24 Borrowings	-	-	-
4.25 Provisions	-	-	-
4.26 Other (provide details if material)	-	-	-
4.27 Total non-current liabilities	53,226	55,744	70,028
4.28 Total Liabilities	477,119	333,275	348,252
4.29 Not Assets	74,632,105	61,358,712	72,647,477

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	49,120,304	48,818,301	48,818,301
4.31 Reserves	-	-	-
4.32 Retained Profits (accumulated losses)	25,511,800	12,540,411	23,829,177
4.33 Equity attributable to shareholders of the parent entity	74,632,104	61,358,712	72,647,477
4.34 Outside equity to shareholders of the parent entity	-	-	-
4.35 Total equity	74,632,104	61,358,712	72,647,477
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		n/a	n/a
6.2 Expenditure incurred during current period		n/a	n/a
6.3 Expenditure transferred from exploration and evaluation		n/a	n/a
6.4 Expenditure written off during current period		n/a	n/a
6.5 Acquisition, disposals, revaluation, increments, etc		n/a	n/a
6.6 Expenditure transferred to mine properties		n/a	n/a
6.7 Closing balance as shown in the consolidated balance sheet (item 4.12)		n/a	n/a

Consolidated Statement of Cash Flows		Current Period K	Previous Corresponding period K
Cash Flows related to operating activities			
7.1	Receipts from customers	4,883,148	4,455,850
7.2	Payments to suppliers and employees	- 1,832,288	- 696,990
7.3	Dividends received from associates	-	-
7.4	Other Dividends received	-	-
7.5	Payment for purchases of equity investments	- 6,488,856	- 6,198,322
7.6	Proceeds from sale of equity investments	2,182,502	1,408,559
7.7	Interest and other items of similar nature received	-	-
7.8	Interest and other finance paid	-	-
7.9	Income taxes paid	-	-
7.10	Other	-	65,580
7.11	Net Operating cash flows	- 1,255,494	- 965,324
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 (investment in shares)	-	-
7.17	Net Investing cash flows	-	-
Cash flows related to financing activities			
7.18	Proceeds from issues of securities (shares, options, etc)	-	-
7.19	Proceeds from borrowings	-	-
7.20	Repayment of borrowings	-	-
7.21	Dividend paid (net of reinvestment of K302,003)	- 1,164,084	- 2,167,170
7.22	Other (provide details if material)	-	-
7.23	Net financing cash flows	- 1,164,084	- 2,167,170
7.24	Net Increase (decrease) in cash held	- 2,419,577	- 3,132,491
7.25	Cash at beginning of period (see reconciliation of cash)	8,543,950	11,676,441
7.26	Exchange rate adjustment to item 7.25 Adjustment to be	-	-
7.27	Cash at end of period (see reconciliation of cash)	6,124,373	8,543,950

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>			
n/a			
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	6,124,373	8,543,950
8.2	Deposits at call	-	-
8.3	Bank Overdraft	-	-
8.4	Other (provide details)	-	-
8.5	Total cash at end of period (Items 7.27)	6,124,373	8,543,950
Ratios			
Profit before abnormal and tax sales			
9.1	Consolidated operating profit (loss) before abnormal items and tax (item 1.4) as a percentage of sales revenue (item 1.1)	308.33%	7.65%
9.2	Consolidated 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)	19.34%	0.19%
Earnings per share (EPS)		Current Period K	Previous Corresponding period K
10.1	Calculation of the following in accordance with IAS 33: <i>Earnings per share</i>		
(a)	Basic EPS	0.30	0.20
(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	48,929,816	48,681,458
NTA backing (see note 7)			
11.1	Net tangible asset backing per ordinary security	1.53	1.26
Details of specific receipts/outlays, revenues/expenses			
		Current Period K	Previous Corresponding period K
12.1	Interest revenue included in determining item 1.4	332,106	371,462
12.2	Interest revenue included in item 12.1 but not yet received (if material)	34,676	41,134
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			
13.1	Name of entity		n/a
13.2	Consolidated operating profit(loss) and extraordinary items after tax of the entity since the date in the current 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 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

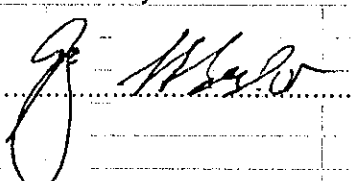
Reports for industry and geographical segments		
Segments		
Operating Revenue		
Sales to customers outside the economic entity	4,686,816	n/a
Inter-segment sales	0	n/a
Unallocated revenue	0	n/a
Total Revenue	4,686,816	n/a
Segment result (including abnormal items where relevant)	14,450,685	n/a
Unallocated expenses	0	n/a
Consolidated operating profit before tax (equal to item 1.6)	14,450,685	n/a
Segment assets	75,109,223	n/a
Unallocated assets	0	n/a
Total assets (equal to item 4.17)	75,109,223	n/a
Dividends (in the case of a trust, distribution)		
15.1 Date the dividend(distribution) was paid		n/a
2018 final dividend payment date		
2019 Interim dividend payment date		23/10/2019
15.2 Record date to determine entitlements to the dividends (distribution) (ie, on the basis of registrable transfers received up to 5.00 pm		23/09/2019
2018 Interim dividend record date		25/10/2018
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:		
15.5 Previous year:		
Half yearly and preliminary final reports		
15.6 Interim Dividend: Current year	0.03	1,466,087
15.7 Previous year	n/a	n/a
Total dividend (distribution) per security (interim plus final) (preliminary final report only)		
	Current year	Previous year
15.8 Ordinary securities	0.03	0.05
15.9 Preference securities	-	

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)		
Details of aggregate share of profits (losses) of associates		
	Current period K	Previous corresponding period K
Entity share of associates		
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				
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				
18.3 Ordinary Securities		48,869,555	-	-
18.4 Issued during current period		317,566	-	0.95
Cancellation of 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)
	n/a	n/a	
	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 yearly report, by IAS 34 Financial 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. (delete if preliminary statement)			
Material factors affecting the revenues and expenses of the economic entity for the current period			
There are no material factors affecting the revenues and expenses of the economic entity for the current period			
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			

Changes in accounting policies since the last annual report are disclosed as follows			
(Disclose changes in the yearly report in accordance with IAS 34. Financial year accounts and consolidated accounts. Disclose changes in the preliminary final report in accordance with IAS 8: Accounting Policies Disclosure)			
n/a			
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	489,703	
	Other fees	-	
Annual meeting (preliminary final report only)			
The annual meeting will be held as follows:			
	Place	Port Moresby (the final venue to be confirm at a later date)	
	Date	Between May and June 2020	
	Time		
	Approximate date the annual report will be available	Around May 2020	

1 This report has been prepared under accounting policies which comply with accounting 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 checked="" type="checkbox"/>	The financial statements have been audited	<input 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..... 27/02/2020
Director			
Print name.....	Sydney Yates, Greg Taylor		