

Kina Asset Management Limited

Condensed interim consolidated financial statements for the half year ended 30 June 2020

Kina Asset Management Limited
Condensed Interim Consolidated Financial Statements
for the half year ended 30 June 2020

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Kina Asset Management Limited

Directors' report

The directors of Kina Asset Management Limited (the Company) submit herewith the condensed interim consolidated financial report of the Company and the Group including the financial statements for the half year ended 30 June 2020. 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 for the half year ended 30 June 2020 are:

Directors

Sydney George Yates	Executive director
Sir Rabbie Langanai Namaliu	Non - executive director
Gregory Frank Taylor	Non - executive director
Monica Salter	Non - executive director

Company Secretary

The company secretary is Sydney George Yates.

Review of operations

During the period, the Group reported a net loss of K4,890,218 (2019: Profit of K10,591,478) after income tax expense of K55,933 (2019: income tax expense of K49,657).

Changes in state of affairs

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

Change in accounting policies

No changes in accounting policies occurred during the financial year, except for the application of new and revised IFRS that were in effect for the period ended 30 June 2020 as disclosed in Note 2.

Dividends

No interim dividend was declared during the half year ended 30 June 2020.

Directors' remuneration

The total remuneration paid to directors during the period was K117,000 which consists of fixed directors' fees.

Kina Asset Management Limited

Directors' report, continued

Remuneration above K100,000 per annum

Nil.

Donations

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

Independent auditor's review report

The condensed interim consolidated financial statements have been reviewed by Deloitte Touche Tohmatsu and should be read in conjunction with the independent auditors review report to the directors of Kina Asset Management Limited on pages 3 - 4.

Subsequent events

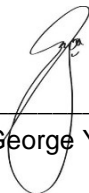
There has not been any matter or circumstance, other than that referred to in the condensed interim consolidated financial statements or notes thereto, that has arisen since the end of the half year, that has significantly affected, or may significantly affect, the operations of the Group, the results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

Signed in accordance with a resolution of the directors.

On behalf of the Directors



Sir Rabbie Namaliu, CGL, KCMG, CSM
Director
Port Moresby



Sydney George Yates, OBE
Director
Port Moresby

Independent Auditor's Review Report to the members of Kina Asset Management Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying condensed interim consolidated financial statements ("Half-Year financial statements") of Kina Asset Management Limited ("the Company") and its subsidiary Kina Asset Management Limited No. 1 (together "the Group"), which comprise the condensed interim consolidated statement of financial position as at 30 June 2020, and the condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for half year ended on that date, selected explanatory notes and the directors' declaration as set out on pages 5 to 19.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial statements in accordance with *International Accounting Standard 34: Interim Financial Reporting* and the *Companies Act 1997*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial statements that is free from material misstatement, whether due to fraud or error.

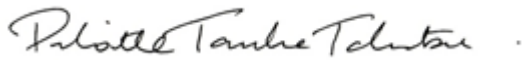
Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial statements is not presented fairly, in all material respects, in accordance with the *International Accounting Standard 34: Interim Financial Reporting* and the *Companies Act 1997*. As the auditor of Kina Asset Management Limited, ISRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of half-year financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial statements of Kina Asset Management Limited does not present fairly, in all material respects, the Group's financial position as at 30 June 2020 and of its financial performance and its cash flows for the half year ended on that date in accordance with *International Accounting Standard 34: Interim Financial Reporting* and the *Companies Act 1997*.



DELOITTE TOUCHE TOHMATSU



Helen Hamilton-James
Partner
Chartered Accountants
Port Moresby, 11 September 2020

Kina Asset Management Limited

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- (b) in the directors' opinion, the attached condensed interim consolidated financial statements and notes thereto give a true and fair view of the financial position and performance of the Group in compliance with IAS 34: Interim Financial Reporting.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



Sir Rabbie Namaliu, CGL, KCMG, CSM

Director

Port Moresby



Sydney George Yates, OBE

Director

Port Moresby

Kina Asset Management Limited
Condensed Interim Consolidated Statement of Comprehensive Income
for the half year ended 30 June 2020

	Notes	Consolidated Half Year Ended 30 June 2020 Unaudited K	2019 Unaudited K
Revenue	3(a)	2,839,010	2,894,561
Changes in fair value of financial assets	7	(6,915,929)	8,247,148
Exchange Rate Profit / (Loss)		(134,229)	142,060
Total income		(4,211,149)	11,283,769
Directors' fees		(117,000)	(108,095)
Insurance		(20,242)	(17,353)
Management fees		(242,701)	(239,684)
Share registry fees		(41,232)	(41,753)
Other operating expenses	3(b)	(201,962)	(235,750)
Profit / (Loss) before tax		(4,834,285)	10,641,135
Income tax (expense) /benefit	6	(55,933)	(49,657)
Net Profit / (Loss) for the period		(4,890,218)	10,591,478
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		(4,890,218)	10,591,478
Earnings per share			
Basic (toea per share)	8	(9.94)	21.67
Diluted (toea per share)	8	(9.94)	21.67

This statement is to be read in conjunction with the notes to and forming part of the interim consolidated financial statements set out on pages 10 to 19.

Kina Asset Management Limited
Condensed Interim Consolidated Statement of Financial Position
as at 30 June 2020

		Consolidated 30 June 2020 Unaudited	31 December 2019 Audited
	Notes	K	K
Assets			
Cash and cash equivalents	11	7,241,594	6,124,373
Other receivables	4	1,048,362	431,616
Financial assets			
Fair value through profit and loss	7	59,442,013	66,230,402
Held to maturity		1,830,132	1,821,750
Current tax receivables		412,985	342,847
Deferred tax assets		149,375	158,235
Total assets		70,124,461	75,109,223
Liabilities			
Other payables	5	291,133	423,893
Dividend payable		-	-
Current tax liabilities		-	-
Deferred tax liabilities		91,442	53,227
Total liabilities		382,575	477,119
Net assets		69,741,886	74,632,104
Equity			
Fully paid ordinary shares	13	49,120,304	49,120,304
Retained profits		20,621,582	25,511,800
Total equity		69,741,886	74,632,104

This statement is to be read in conjunction with the notes to and forming part of the interim consolidated financial statements set out on pages 10 to 19.

These financial statements have been approved for issue by the Board of Directors and signed on its behalf by:

Kina Asset Management Limited
Condensed Interim Consolidated Statement of Changes in Equity
for the half year ended 30 June 2020

	Attributable to the equity holders of the Group		
	Fully paid ordinary shares	Retained profits	Total
	K	K	K
Balance at 1 January 2019	48,818,301	12,540,411	61,358,710
Issued shares	-	-	-
Dividends	-	-	-
Profit for the period	-	10,591,478	10,591,478
Other comprehensive income	-	-	-
Balance at 30 June 2019	48,818,301	23,131,889	71,950,190
Issued shares	302,003	-	-
Dividends	-	(1,466,087)	(1,466,087)
Profit for the period	-	14,437,475	14,437,475
Other comprehensive income	-	-	-
Balance at 31 December 2019 (audited)	49,120,304	25,511,800	74,632,104
Balance at 1 January 2020	49,120,304	25,511,800	74,632,104
Issued shares	-	-	-
Dividends	-	-	-
Profit for the period	-	(4,890,218)	(4,890,218)
Other comprehensive income	-	-	-
Balance at 30 June 2020	49,120,304	20,621,582	69,741,886

This statement is to be read in conjunction with the notes to and forming part of the interim consolidated financial statements set out on pages 10 to 19.

Kina Asset Management Limited
Condensed Interim Consolidated Statement of Cash Flows
for the half year ended 30 June 2020

		Consolidated Half Year Ended 30 June	
	Notes	2020 Unaudited K	2019 Unaudited K
Cash flows from operating activities			
Dividend, interest and other income receipts		1,614,288	2,315,353
Purchase of shares	7	(3,370,324)	(1,262,395)
Sale of shares		3,362,405	565,989
Payments to suppliers and third parties		(489,148)	(671,671)
Income tax paid		-	-
Net cash from operating activities		1,117,221	947,276
Net cash from investing activities		-	-
Net cash from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		1,117,221	947,276
Effect of changes in the foreign exchange rates on cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		6,124,373	8,543,950
Cash and cash equivalents at 30 June	11	7,241,594	9,491,226

This statement is to be read in conjunction with the notes to and forming part of the interim consolidated financial statements set out on pages 10 to 19.

Kina Asset Management Limited
Notes to the Condensed Interim Consolidated Financial Statements
for the half year ended 30 June 2020

1. General information

Kina Asset Management Limited (the Company) and its subsidiary Kina Asset Management No. 1 Limited (the Group) are investment companies incorporated as limited liability companies 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 and the requirements of the Papua New Guinea Companies Act 1997.

Application of new and amended International Financial Reporting Standards

A number of new or amended standards became applicable for the current reporting period.

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

The Interpretation is effective for annual periods beginning on or after 1 January 2020.

IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis.

The Interpretation is effective for annual periods beginning on or after 1 January 2020.

The directors of the Company have assessed that the application of the amendments do not have a material impact on the Group's consolidated financial statements as at the half year ended 30 June 2020.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for certain financial instruments measured at fair value. 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 when the Group is exposed to, or has rights to, variable returns from its investments with the entity and has the ability to affect those returns through its power to direct activities of the entity.

Where necessary, adjustments are made to the financial statements of the Groups subsidiary to bring its 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.

**Notes to the Condensed Interim Consolidated Financial Statements
for the half year ended 30 June 2020**

2. Significant accounting policies (continued)

(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.

(c) 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.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'fair value through other comprehensive income', and 'amortized cost'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are largely financial assets at fair value through profit or loss.

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

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

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Financial assets classified as amortised cost are measured at amortised cost using the effective interest rate.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Specifically, IFRS 9 requires the Group to recognise a loss allowance for expected credit losses on: (1) Debt investments measured subsequently at amortised cost or at FVTOCI; (2) Lease receivables; (3) Trade receivables and contract assets; and (4) Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

In particular, IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

Investments in PNG Government Debt instruments measured at amortised cost are subject to impairment, however the application of IFRS 9 has not resulted in a loss allowance being recognized in the period.

Kina Asset Management Limited
Notes to the Condensed Interim Consolidated Financial Statements
for the half year ended 30 June 2020

2. Significant accounting policies (continued)

Financial liabilities

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

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.

(d) 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 financial statements, the functional currency is Papua New Guinea Kina ("PNG Kina").

Financial assets and liabilities denominated in foreign currencies are translated to PNG Kina at the reporting date using the closing exchange rates. Transactions denominated in foreign currencies are translated to PNG Kina using the exchange rates ruling on the date of the transactions.

(e) 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).

Withholding taxes deducted at source in relation to dividend and interest income, which are recoverable against taxes to be paid by the company, are presented as other receivables in the statement of financial position.

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.

Kina Asset Management Limited
Notes to the Condensed Interim Consolidated Financial Statements
for the half year ended 30 June 2020

2. Significant accounting policies (continued)

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.

(f) Revenue recognition

Changes in fair value of investments are recognised as income in the profit and loss in the period in which they occur.

Gain or loss on sale of securities are determined as the difference between consideration received (if sold during the year) and the carrying 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 income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income 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 on initial recognition.

(g) Goods and service 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.

(h) 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.

Kina Asset Management Limited
Notes to the Condensed Interim Consolidated Financial Statements
for the half year ended 30 June 2020

2. Significant accounting policies (continued)

(i) Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Although these estimates are based on management's best knowledge of current events and conditions, actual results could differ from these estimates.

No significant estimates or judgements have been required in applying accounting policies which may have a material impact on the Company's net assets

3. Profit and loss

	Consolidated Half Year Ended 30 June	
	2020 Unaudited K	2019 Unaudited K
(a) Revenue		
Interest income	126,140	177,018
Dividend income	2,486,417	2,717,543
Gain on sale of listed securities	226,453	-
	2,839,010	2,894,561
(b) Other operating expenses		
Professional fees	104,542	121,185
Auditor's fees	27,500	27,500
Printing	16,831	24,908
Listing fees	19,100	16,484
Accounting fees	13,200	13,200
Advertising	1,568	3,213
Travel and accommodation	13,349	24,462
Bank charges	2,360	1,977
Meeting	200	292
Accounting software fees	3,312	1,828
Venue Hire	-	700
	201,962	235,750
	Consolidated	
	At 30 June 2020 Unaudited K	At 31 December 2019 Audited K
4. Other receivables		
Dividends receivable	802,323	228,097
Withholding taxes	152,575	152,575
Other prepayments and receivables	93,464	50,944
	1,048,362	431,616

Kina Asset Management Limited
Notes to the Condensed Interim Consolidated Financial Statements
for the half year ended 30 June 2020

	At 30 June 2020 Unaudited K	At 31 December 2019 Audited K
5. Other payables		
Other payables	5,656	4,918
Accrued expenses	267,438	400,937
Group Tax Payables	18,039	18,038
	291,133	423,893

6. Income tax expense/(benefit)

Income tax recognised in profit or loss

(a) Tax expense/(credit) comprises:

	30 June 2020 Unaudited K	31 December 2019 Audited
Current tax expense	8,858	45,371
Deferred tax	47,075	(59,370)
Prior year over provision	-	-
Dividend WHT relating to foreign dividends received	-	27,209
Total tax expense/(credit)	55,933	13,210

(b) The prima facie income tax expense on pre-tax accounting profit/(loss) reconciles to the income tax expense/(benefit) calculated at 30% in the financial statements as follows:

	30 June 2020 Unaudited K	31 December 2019 Audited K
Profit/(loss) before tax	(4,834,285)	4,450,685
Income tax expense/(benefit) calculated at 30%	(1,450,286)	4,335,206
Dividend WHT relating to foreign dividend received	-	27,209
Tax effect of non assessable income	1,506,219	(4,349,205)
Tax loss not recognized as assets	-	-
	55,933	13,210

*Tax effect of no-assessable income includes the dividend income, fair value gain/(loss) on investments, dividend rebate, foreign currency exchange gain/(loss) and gain/(loss) on sale of investments. The income tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Papua New Guinean corporate entities on taxable profits under the Papua New Guinea tax law.

Kina Asset Management Limited
Notes to the Condensed Interim Consolidated Financial Statements
for the half year ended 30 June 2020

6. Income tax expense/(benefit) continued:

	30 June 2020 Unaudited	31 December 2019 Audited
	K	K
Deferred tax assets comprise:		
Accrued liabilities	149,375	158,235
	149,375	158,235
Deferred tax liabilities comprise:		
Prepaid insurance	13,239	4,869
Accounts receivable	-	-
Interest and other receivable	78,203	48,358
	91,442	53,227
Net deferred tax assets / (liabilities)	57,933	105,009
Presented as:		
Net deferred tax liability	149,375	158,235
Net deferred tax asset	(91,442)	(53,227)
	57,933	105,009

7. Fair values of listed investments are measured based on the quoted market prices.

	At 30 June 2020 Unaudited	At 31 December 2019 Audited
Listed Securities	59,442,013	66,230,402
Movements		
Balance at the beginning of the period	66,230,402	50,629,192
Purchases	3,370,324	6,488,856
Disposals	(3,135,952)	(1,992,049)
Exchange rate profit/(loss) on sale	(106,832)	-
Change in fair value	(6,915,929)	11,034,403
Balance at 30 June 2020 (31 December 2019)	59,442,013	66,230,402

8. Earnings per share

	30 June 2020 Toea per share	30 June 2019 Toea per share
Basic and diluted earnings per share		
Total earnings per share	(9.94)	21.67
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:		
Net income/(loss) used in the calculation of basic and diluted EPS	(4,890,218)	10,591,478
	2020 No.	2019 No.
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	49,187,121	48,869,555

Kina Asset Management Limited

Notes to the Condensed Interim Consolidated Financial Statements for the half year ended 30 June 2020

9. Contingent liabilities and contingent assets

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

10. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions or where there are common directors and shareholders. Kina Asset Management Limited (incorporated in Papua New Guinea), is the parent entity of the Group which owns 100% of the ordinary shares of its subsidiary, Kina Asset Management No 1 Limited.

From time to time during the year, Directors and Senior Management of the Parent and subsidiary enter into transaction with the Company on normal terms and conditions.

Sydney George Yates is a Director of Credit Corporation Limited and owns Columbus Investment Limited Limited which is a shareholder of Kina Asset Management Limited, Kina Securities Limited and Credit Corporation

Equity interests held by key management personnel

Sir Rabbie Langanai Namaliu: 65,260 shares held through Tobit Investments Limited

Gregory Frank Taylor: 45,225 shares held directly.

Sydney George Yates: 3,368,717 shares held through Columbus Investment Limited

Remuneration of Directors:

	30 June 2020 Unaudited K	30 June 2019 Audited K
Sir Rabbie Langanai Namaliu	36,000	36,000
Gregory Frank Taylor	27,000	27,000
Sydney George Yates	27,000	27,000
Monica Salter	27,000	18,000

11. Notes to the cash flow statement

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 period as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Consolidated	
	At 30 June 2020 Unaudited K	At 31 December 2019 Audited K
Cash and cash equivalents	6,400,823	5,284,492
Interest bearing deposits	840,771	839,881
	7,241,594	6,124,373

Kina Asset Management Limited

Notes to the Condensed Interim Consolidated Financial Statements for the half year ended 30 June 2020

12. Segment reporting

The Group operates in one activity - investments, in Papua New Guinea. For Management purposes, segment information determination is based on risk involved with domestic and international securities.

For the half year ended 30 June 2020 (unaudited):

	Domestic K	International K	Total K
Revenue	(470,472)	(3,740,676)	(4,211,149)
Expenses			(623,136)
Operating Profit/ (Loss)			(4,834,285)
Income tax (expense)/benefit			(55,933)
Net profit/(loss)			(4,890,218)
Assets	29,753,264	40,371,196	70,124,461
Liabilities			382,575
Net assets			69,741,886

For the half year ended 30 June 2019 (unaudited):

	Domestic K	International K	Total K
Revenue	2,047,930	9,235,839	11,283,769
Expenses			(642,635)
Operating Profit			10,641,135
Income tax expense			49,657
Net profit			10,591,478

As at 31 December 2019 (audited)

Assets	30,309,517	44,357,966	75,109,223
Liabilities			(477,119)
Net assets			74,632,104

13. Fully paid ordinary shares

No shares were issued during the period

	Consolidated At 30 June 2020		Consolidated At 31 December 2019	
	Number of shares	Cost	Number of shares	Cost
Fully paid ordinary shares:				
Beginning	49,187,121	49,120,304	49,187,121	49,120,304
Issued shares:	-	-	-	-
Ending	49,187,121	49,120,304	49,187,121	49,120,304

Kina Asset Management Limited

Notes to the Condensed Interim Consolidated Financial Statements for the half year ended 30 June 2020

14. Subsequent events

There are no subsequent events that may require a disclosure or adjustment to the financial statements.

15. Covid-19

In conjunction with our consideration of the impact of COVID-19, we have performed a going concern assessment as at the date of signing the financial statements. We have determined that as at this date KAML remains a going concern because it is a listed investment company with no debt and the only exposure it has as a result of COVID is the elevated level of market volatility related to some of its investments. Therefore, it continues to be appropriate to prepare the financial statements of KAML on the going concern basis in accordance with IAS 1 "Presentation of Financial Statements". We are not aware, as at the date of signing of the financial statements of a material uncertainty arising from COVID-19 that casts significant doubt on the ability of KAML to continue as a going concern.

Kina Asset Management Limited 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 9, Kina Bank Haus Douglas Street (PO Box 1141) Port Moresby National Capital District Papua New Guinea
Directors	Sir Rabbie Langanai Namaliu Gregory Frank Taylor Sydney George Yates Monica Salter
Secretary	Sydney George Yates
Auditor	Deloitte Touche Tohmatsu Chartered Accountants PO Box 1275 Port Moresby Papua New Guinea
Bankers	Westpac Bank Limited, Papua New Guinea Kina Bank Limited, Papua New Guinea Credit Suisse, Australia Bank of Queensland, Australia
Stock Exchange	PNG National Stock Exchange Limited
Broker	Kina Securities Limited
Share Registry	PNG Registries Limited
Investment Manager	Kina Funds Management Limited