



HALF YEAR RESULTS FOR ANNOUNCEMENT TO THE MARKET

AS AT 30 JUNE 2021

The reporting period is the half year ended 30 June 2021, and the corresponding prior-period is the half-year ended 30 June 2020.

Highlights

Kina Asset Management Ltd (**KAML** or the **Company**) recorded a net profit after tax of K7,328,675 for the half-year ended 30 June 2021 (1H/2020: -K4,890,218).

The Company's profit was driven by an investment return of 10.2% for the half-year. Global share markets have risen strongly over the half-year, with the company reporting capital gains on its domestic and international investments of K5.2 million (1H/2020: -K6.9 million).

Improved global economic conditions supported a strong rise in dividend and interest income flows, totalling K2.9 million. (1H/2020: K2.6 million) Key contributors to dividend income were Bank of South Pacific (BSP), Credit Corporation (CCP), Kina Securities Ltd (KSL) and Vanguard International.

There has been a broad-based appreciation of the US Dollar during the half-year, resulting in a decline in the value of the Australian dollar against the PNG Kina through the operation of PNG's exchange rate fixing policies. This resulted in foreign exchange losses of K1.4 million for the half year (1H/2020: -K0.1 million).

Asset allocation as at 30 June 2021 was 37.2% invested in domestic stocks, cash and fixed income; and 62.8% invested in international stocks and cash. The portfolio benchmark weights are 40% (domestic) and 60% (international) respectively.

Key portfolio holdings as a percentage of the Fund at 30 June 2021 were: BSP at 17.7%, Vanguard at 13.1%, CSL at 7.0% and KSL at 6.8%. Cash holdings stood at 8.3%.

There were mixed results recorded by the Company's equity investments results against their benchmarks: Domestic equities (11.6%) outperformed the benchmark KSI Home Index (5.8%), as key holdings in KSL and OSH held on the ASX outperformed the less liquid PNGX listed securities; ASX-listed equities and global equity funds generated returns of 8.9% and 14.8% respectively, against their (PGK-adjusted) benchmark S&P/ASX200 and MSCI World ex-Australia Index returns of 10.4% and 15.5%.

Net tangible asset backing per share as at 30 June 2021 was K1.70 (2019: K1.42 pre dividend), an increase of 0.3% from the corresponding period.

Domestic Investments

- BSP, renamed "BSP Financial Group" for its ASX compliance listing in May, continued to maintain its position as the biggest driver of the Company's investment performance, with a total return K1,604,837, or 11.2%. This return was attributable to a 2.5% increase in share price, and a dividend yield of 8.8% from the final dividend payment of K1.05 per share.
- KSL and CCP also performed strongly, with total returns of 22.2% and 10.6% respectively. The company's small investment in CPL registered a return of 66% including a 6% dividend, the company's first in many years.



International Investments

- The Company's Australian equity holdings performed strongly. Total returns for the best performing stocks for the half-year included Boral (+38.5%), Westpac Bank (+33.3%), Telstra (28.5%), ANZ Bank (+24.5%), ResMed (+18.8%), Mirvac (+11.2%), and Sonic Healthcare (+10.7%).
- The Company's global equity funds performed well, with Vanguard at 15.2% and its counterpart BlackRock iShares at 13.8%.

Top 4 Holdings

Rank	Security	Portfolio Weight (%)	Value (K' millions)
1	BSP Financial Group	17.7	14.6m
2	Vanguard International Index Fund	13.1	10.8m
3	CSL Limited	7.0	5.8m
4	Kina Securities Limited	6.7	5.6m

Review and Outlook

In the prior corresponding period in 2020, equity prices in most developed markets had fallen to levels close to, or below, the lows achieved during the GFC in 2007-2008, and the outlook for the global economy was uncertain.

In 2021, markets in the US, UK, Europe and Australia have recorded gains close to, or above double digits. The rollout of Covid-19 vaccinations has been progressing well in many advanced economies, and in some large emerging market economies. Manufacturing and global goods trade has remained strong because of the ongoing strength in consumption, supported by accommodative monetary policies of most central banks, and fiscal policy expansion by governments.

Leading indicators of economic growth are positive for most major economies. The relaxation of Covid-19 containment measures has expanded opportunities for the consumption of discretionary services. Manufacturing order backlogs, combined with high levels of new export orders, should continue to support global goods trade for the remainder of 2021.

Despite these positive developments, the global economic recovery remains uneven. Outbreaks of the virus – including more transmissible variants – continue to impact sustainable recovery in many economies, including Australia. KFM has continued to add to core portfolio holdings during periods of market weakness, but has also used recent record highs in some securities, notably Boral, to take profits.

In PNG, international travel restrictions have been tightened and in most provinces business activity remains weak. Agreement on benefit sharing arrangements for major resource projects between government and development partners have provided some optimism, but any sustainable improvement in economic conditions in 2021 appears unlikely.



Dividend

As a result of the Company's strong performance and the improving global economic outlook, directors have declared an interim dividend of 6 toea per share, to be paid to shareholders in October 2021.

KAML's Investments





Kina Asset Management Limited and Subsidiary			
Company No	Half yearly	Final	financial year ended
HUBSP0000055.	X		30-Jun-21
Extracts from this report for announcement to the market (see note 1)			
Sales (or equivalent operating) revenue (item 1.1)			3,420,374
Abnormal after tax attributable to shareholders (item (2.5)			-
Operating profit (loss) after tax (before amortisation of goodwill) attributable to shareholders (item 1.26)			7,342,325
Operating profit (loss) after tax attributable to shareholders (item 1.10)			7,342,325
Extraordinary items after tax attributable to shareholders item 1.13			-
Operating profit(loss) and extraordinary items after tax attributable to shareholders (item 1.16)			7,342,325
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)		n/a	n/a
Previous corresponding period (Preliminary final report -item 15.5 Half yearly report - item 15.7)		n/a	n/a
Record date for determining entitlements to the dividend (In the case of a trust, distribution) (see item 15.2)			n/a

				Current Period K	Previous Corresponding period K
1.1	Sales (or equivalent operating revenue)			3,420,374	2,839,010
1.2	Share of associates "net profit(loss) attributable to shareholders" (equal to item 16.7)			-	-
1.3	Other Revenue			4,718,145	7,050,158
1.4	Operating profit (loss) before abnormal items and tax			7,384,183	4,834,285
1.5	Abnormal items before tax (detail in item 2.4)			-	-
1.6	Operating profit (loss) before tax (items 1.4 + 1.5)			7,384,183	4,834,285
1.7	Less tax			- 41,858	- 55,933
1.8	Operating profit (loss) after tax but before outside equity interest			7,342,325	4,890,218
1.9	Less outside equity Interest			-	-
1.10	Operating profit(loss) after tax attributable to shareholders			7,342,325	4,890,218
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)			7,342,325	4,890,218
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)			7,342,325	-	4,890,218
1.17	Retained profits (accumulated losses) at beginning of financial period			28,830,673		25,511,800
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)			36,172,998		20,621,582
1.21	Dividend provided for or paid			-	1,977,099	-
1.22	Aggregate of amounts transferred to Reserves			-		-
1.23	Retained profits (accumulated losses) at end of financial period			34,195,899		20,621,582
	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			7,342,325	-	4,890,218
1.25	(Less/plus) outside equity interest			-		-
1.26	Operating profit(loss) after tax (before amortisation of goodwill) attributable to shareholders			7,342,325	-	4,890,218

	Intangible, abnormal and extraordinary 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	-	-	-	-
				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)			7,342,325	- 4,890,218
3.2	Consolidated operating profit(loss) after tax attributable to shareholders for the second half year			-	8,209,091

	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	6,879,807	7,575,720	7,241,594
4.2 Receivables	1,435,779	842,419	1,461,346
4.3 Investments	73,994,713	68,184,082	59,442,013
4.4 Inventories	-	-	-
4.5 Other (provide details if material)	-	-	-
4.6 Total Current assets	82,310,299	76,602,221	68,144,953
Non Current Assets			
4.7 Deferred Tax Asset	86,286	82,304	149,375
4.8 Investment in associates	-	-	-
4.9 Investments	1,848,813	1,839,208	1,830,132
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	1,935,099	1,921,512	1,979,507
4.17 Total Assets	84,245,398	78,523,733	70,124,460

	Current Liabilities			
4.18	Accounts payables	221,532	182,130	285,477
4.19	Borrowings	-	-	-
4.20	Current Tax Liability	-	-	-
4.21	Other (dividend payable)	-	-	5,656
4.22	Total current liabilities	221,532	182,130	291,133
	Non Current Liabilities			
4.23	Deferred Tax Liabilities	43,585	43,070	91,442
4.24	Borrowings	-	-	-
4.25	Provisions	-	-	-
4.26	Other (provide details if material)			
4.27	Total non- current liabilities	43,585	43,070	91,442
4.28	Total Liabilities	265,117	225,200	382,574
4.29	Net Assets	83,980,281	78,298,533	69,741,886
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	49,784,382	49,467,860	49,120,304
4.31	Reserves	-	-	-
4.32	Retained Profits (accumulated losses)	34,195,899	28,830,673	20,621,582
4.33	Equity attributable to shareholders of the parent entity	83,980,281	78,298,533	69,741,886
4.34	Outside equity to shareholders of the parent entity	-	-	-
4.35	Total equity	83,980,281	78,298,533	69,741,886
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
5.1	Opening Balance	n/a	n/a
5.2	Expenditure incurred during current period	n/a	n/a
5.3	Expenditure written off during current period	n/a	n/a
5.4	Acquisition, disposals, revaluation, increments, etc	n/a	n/a
5.5	Expenditure transferred to development properties	n/a	n/a
5.6	Closing balance as shown in the consolidated balance sheet (item 4.11)	n/a	n/a
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	2,551,730	1,614,288
7.2	Payments to suppliers and employees	- 494,580	- 489,148
7.3	Dividends received from associates	-	-
7.4	Other Dividends received	-	-
7.5	Payment for purchases of equity investments	- 3,529,569	- 3,370,324
7.6	Proceeds from sale of equity investments	2,528,564	3,362,405
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	-	-
7.11	Net Operating cash flows	1,056,145	1,117,221
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)	316,522	-
7.19	Proceeds from borrowings	-	-
7.20	Repayment of borrowings	-	-
7.21	Dividend paid (net of reinvestment of K348,359)	- 1,977,099	-
7.22	Other (provide details if material)	-	
7.23	Net financing cash flows	- 1,660,577	-
7.24	Net Increase (decrease) in cash held	- 695,913	1,117,221
7.25	Cash at beginning of period (see reconciliation of cash)	7,575,720	6,124,373
7.26	Exchange rate adjustment to item 7.25 Adjustment to be	-	-
7.27	Cash at end of period(see reconciliation of cash)	6,879,807	7,241,594
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	6,879,807	7,241,594
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)	6,879,807	7,241,594

Ratios		Current Period	Previous Corresponding period K' 000
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)	215.89%	-170.28%
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)	8.74%	-7.01%
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	14.82	-9.94
(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	49,531,412	49,187,121
NTA backing (see note 7)			
11.1	Net tangible asset backing per ordinary security	1.70	1.42
Details of specific receipts/outlays,revenues/expenses		Current Period K	Previous Corresponding period K
12.1	Interest revenue included in determining item 1.4	137,625	126,140
12.2	Interest revenue included in item 12.1 but not yet received (if material)	48,141	- 30,198
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

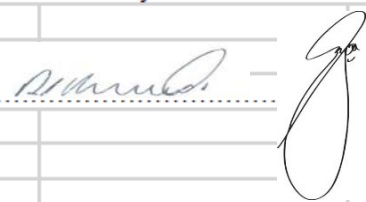
Reports for industry and geographical segments			
Segments			
<u>Operating Revenue</u>			
Sales to customers outside the economic entity	3,420,374		n/a
Inter-segment sales	0		n/a
Unallocated revenue	0		n/a
Total Revenue	3,420,374		n/a
Segment result (including abnormal items where relevant)	7,384,183		n/a
Unallocated expenses	0		n/a
Consolidated operating profit before tax (equal to item 1.6)	7,384,183		n/a
Segment assets	84,245,398		n/a
Unallocated assets	0		n/a
Total assets (equal to item 4.17)	84,245,398		n/a
<u>Dividends (in the case of a trust, distribution)</u>			
15.1	Date the dividend(distribution) was paid 2020 final dividend payment date: 07 April 2021		n/a
			n/a
15.2	Record date to determine entitlements to the dividends (distribution) (ie, on the basis of registrable transfers received up to 5.00 pm 2020 final dividend record date: 25 March 2021		n/a
15.3	If it is a final dividend, has it been declared? No dividends declared for 2021		n/a
<u>Amount per security</u>			
		Amount per security	
(Preliminary final report)			
15.4	Final Dividend: Current year:		
15.5	Previous year 2020	0.04	1,977,099

Total dividend (distribution) per security (interim plus final)			
		Current year	Previous year
15.8	Ordinary securities	n/a	1,977,099
15.9	Preference securities	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)			
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				
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		49,630,945	-	-
18.4 Issued during current period		199,066	1.59	316,522
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)			
No significant events			
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)			
No changes in accounting policies			
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	n/a	
	Management fees	n/a	
	other fees	n/a	
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	n/a	
	Time	n/a	
	Approximate date the annual report will be available		



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 IAS 34	
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 type="checkbox"/>	The financial statements have been subject to review
<input checked="" 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	7 September 2021
Director			
Print name	Sir Rabbie Namaliu & Syd Yates		