



KINA ASSET MANAGEMENT LIMITED (KAML) PNGX RELEASE

KAML RECORDS RESPECTABLE 8.3 PER CENT RETURN IN TUMULTUOUS YEAR FOR GLOBAL MARKETS

PNGX listed Investment Company Kina Asset Management Ltd (KAML) has recorded a net profit of K6.0 million for the year-ended 31 December 2021, said KAML Chairman Sir Rabbie Namaliu.

Sir Rabbie said that KAML's net profit was driven by an investment return of 8.3%, with share markets in most countries rising in response to an improving outlook for the global economy.

"Unrealised capital gains on KAML's shareholdings for the year totalled K6.0 million before the impact of the foreign exchange movements", Sir Rabbie said.

In particular, he noted that some of the Fund's major Australian holdings reported double-digit share price increases, including Sonic Healthcare (+45.0%), Telstra (+40.3%), Sydney Airport (+35.4%), and ResMed (+31.4%).

KAML's international funds, the BlackRock iShares International Wholesale Index Fund, and the Vanguard International Share Index Fund, returned 22.2% and 20.6% respectively.

Partially offsetting these gains were foreign currency losses of K3.3million in relation to the investments, caused by a significant appreciation in the value of the PNG Kina against the Australian dollar during the year, Sir Rabbie said.

Dividend and interest income contributed strongly to the Company's earnings, totalling K4.5million. Sir Rabbie said that the Fund's core domestic shareholding, BSP Financial Group, which comprised 16.9% of the Fund's investments at year-end, was also the largest contributor to dividend income, at K1.7 million. The Fund's other domestic holdings, Credit Corporation and Kina Securities, each paid dividends of K0.5 million.

Dividend income from the Fund's Australian equity holdings totalled K1.0million, and from the global equity funds, Vanguard and BlackRock iShares, totalled K0.6million, Sir Rabbie said.

The total value of the Fund increased by K1.8million during the year. The share price of K0.99 per share at 31 December 2021 represented a substantial discount to the net tangible asset backing of K1.61 per share, reflecting the lack of liquidity on PNGX. During the year, a total of 621,586 shares of KAML were traded at an average price of K0.99 per share.

Commenting on the Fund's asset allocation, Sir Rabbie said that at year-end, 31.0% of the Fund was invested in domestic stocks, cash and fixed income; and 69.0% invested in international stocks and cash.

He said that key domestic portfolio holdings as a percentage of total Fund at 31 December 2021 were: Bank of South Pacific at 16.9%, Kina Securities at 5.5%, Credit Corp at 4.5%, and City Pharmacy 0.8%. Exposure to ASX Equity and Global Equity Funds stood at 43.5 % and 19.1% respectively at year end.

Sir Rabbie said that the relative performance of KAML's domestic and international investments against their respective benchmark indices, was mixed.

KAML's investment manager, Kina Funds Management Limited, continued to remain vigilant in the implementation of the company's investment strategy, and cash holdings of 7.3% of total assets were held at year-end.

Sir Rabbie said the Fund was well placed to add to existing holdings, or exploit new opportunities as they arise in 2022.

ENDs

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