

Kina Asset Management Limited
Annual report for the financial year ended 31 December 2023

Kina Asset Management Limited

Annual report

For the financial year ended 31 December 2023

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Kina Asset Management Limited

Directors' Report

For the financial year ended 31 December 2023

The directors of Kina Asset Management Limited (the Company) submit herewith the annual financial report of the Company and the Group including the financial statements for the financial year ended 31 December 2023. 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 as at the end of the financial year are:

Directors

Sydney George Yates	Managing director
Dame Monica Salter	Non - executive director
David Kavanamur	Non - executive director

Company Secretary

The Company secretary is Sydney George Yates.

Review of operations

During the financial year, the Holding Company reported a net profit of K6,091,662 (2022: profit of K3,123,424) after income tax expense of K74,516 (2022: K55,694) while the Group reported a net profit of K12,748,746 (2022: loss of K3,256,676) after income tax expense of K55,084 (2022: K22,879).

Changes in state of affairs

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

Change in accounting policies

No change in accounting policies occurred during the financial year.

Dividends

A total dividend of K6,019,198 (2022: K2,993,478) was declared and paid as disclosed in note 19.

Kina Asset Management Limited

**Directors' Report (continued)
For the financial year ended 31 December 2023**

Directors' remuneration

Remuneration paid to the directors is disclosed in note 16 to the financial statements. The total remuneration paid to all directors during the financial year was K196,461 (2022: K313,200) and consisted of fixed directors' fees.

Remuneration above K100,000 per annum

Nil.

Donations

No donations were made during the current financial year by the Company and the Group (2022: Nil).

Independent audit report

The financial statements have been audited by PricewaterhouseCoopers and should be read in conjunction with the independent audit report on pages 4 - 8. Details of auditor remuneration is disclosed in note 18 to the financial statements.

Subsequent events

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

Signed in accordance with a resolution of the directors.

On behalf of the Directors



Sydney George Yates, OBE
Director
Port Moresby,

7 March 2024



Dame Monica Salter, DBE
Director
Port Moresby,

7 March 2024

Kina Asset Management Limited

**Directors' Declaration
For the financial year ended 31 December 2023**

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Companies Act 1997, including compliance with generally accepted accounting practice in Papua New Guinea and giving a true and fair view of the financial position and performance of the Company and the Group.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



Sydney George Yates, OBE

Director
Port Moresby



Dame Monica Salter, DBE

Director
Port Moresby,

7 March 2024



Independent auditor's report

To the shareholders of Kina Asset Management Limited

Report on the audit of the financial statements of the Company and the Group

Our opinion

We have audited the financial statements of Kina Asset Management Limited (the Company), which comprise the statements of financial position as at 31 December 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory information for both the Company and the Group. The Group comprises the Company and the entities it controlled at 31 December 2023 or from time to time during the financial year.

In our opinion, the accompanying financial statements:

- comply with International Financial Reporting Standards and other generally accepted accounting practice in Papua New Guinea; and
- give a true and fair view of the financial position of the Company and the Group as at 31 December 2023, and their financial performance and cash flows for the year then ended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

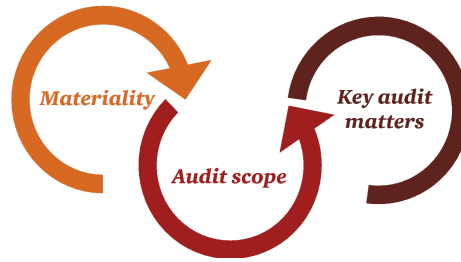
We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Group in the area of taxation services. The provision of these other services has not impaired our independence as auditor of the Company and the Group.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the Company and the Group, their accounting processes and controls and the industries in which they operate.



Materiality	Audit scope	Key audit matters
<ul style="list-style-type: none"> • For the purpose of our audit of the Group we used overall group materiality which represents approximately 1% of the Group's net assets. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole. • We chose Group net assets because, in our view, it is the metric against which the performance of the Group is most commonly measured and is a generally accepted benchmark for investment management entities. • We selected 1% based on our professional judgement noting that it is also within the range of commonly acceptable related thresholds. 	<ul style="list-style-type: none"> • We (PwC Papua New Guinea) conducted audit work over the Group's operations in Papua New Guinea (PNG) sufficient to express an opinion on the financial statements as a whole. • The Group comprises companies incorporated and operating in Papua New Guinea. • Our audit focused on where the directors made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. 	<ul style="list-style-type: none"> • Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: <ul style="list-style-type: none"> • Non cash Financial assets - existence and valuation • These matters are further described in the Key audit matters section of our report.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period. The key audit matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key matters to be communicated in our report.

Further, commentary on the outcomes of the particular audit procedures is made in that context.

Key audit matters	How our audit addressed the key matters
<p><i>Non Cash Financial assets - Existence and valuation - Refer to Note 8 to the financial statements</i></p> <p>Our audit focused on ownership and valuation of non cash financial assets owing to their significance to the financial statements of the Group. The non cash financial assets make up approximately 92% of the total assets of the Group and form the basis for the primary source of income for the Group.</p> <p>The non cash financial assets of the Group comprise listed equity instruments and Papua New Guinea Government inscribed stocks and these are measured at fair value and amortised cost respectively.</p>	<p>The procedures we performed on a sample basis to support our audit conclusions, amongst others, included:</p> <ul style="list-style-type: none">• Understanding the Group's procedures in relation to the investment management, recording and the related contractual arrangements in place for the various financial assets.• Checking the ownership of the financial assets.• Assessing the fair values of individual investments, including comparison of pricing to observable market sources for equity instruments.• Recomputing the accuracy of the amortised cost of the Papua New Guinea Government inscribed stocks.

Information other than the financial statements and auditor's report

The directors are responsible for the other information. The other information comprises the Directors' Report, Directors' Declaration and Corporate Directory (but does not include the financial statements and the auditors' report thereon), which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available after that date. Our opinion on the financial statements does not cover the other information and we do not, and will not, express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors for the financial statements

The directors are responsible, on behalf of the company for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and other generally accepted accounting practice in Papua New Guinea and the Companies Act 1997 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Companies Act 1997 requires that in carrying out our audit we consider and report on the following matters. We confirm in relation to our audit of the financial statements for the year ended 31 December 2023:

- We have obtained all the information and explanations that we have required;
- In our opinion, proper accounting records have been kept by the Company as far as appears from an examination of those records.

Who we report to

This report is made solely to the Company's shareholders, as a body, in accordance with the Companies Act 1997. Our audit work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an auditor's report and for no other purpose. We do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'Jonathan Grasso'.

Jonathan Grasso
Partner
Registered under the Accountants Act 1996

Port Moresby
7 March 2024

Kina Asset Management Limited

Statements of Comprehensive Income For the financial year ended 31 December 2023

	Note	Consolidated		Company	
		2023	2022	2023	2022
Revenue	3(a)	5,671,033	4,289,710	6,900,349	4,058,257
Changes in fair value of financial assets	8	8,177,418	(5,974,377)	-	-
Exchange gain / (loss) on cash and cash equivalents	12	232,394	(134,505)	(553)	2,908
Total income / (loss)		14,080,845	(1,819,172)	6,899,796	4,061,165
Directors' fees	16	(196,461)	(313,200)	(196,461)	(313,200)
Insurance		(52,323)	(52,108)	(52,323)	(52,108)
Management fees	17	(511,445)	(506,027)	-	-
Share registry fees		(79,360)	(114,180)	(79,360)	(114,180)
Other operating expenses	3(b)	(437,426)	(429,110)	(405,474)	(402,559)
Total expenses		(1,277,015)	(1,414,625)	(733,618)	(882,047)
Profit / (Loss) before tax		12,803,830	(3,233,797)	6,166,178	3,179,118
Income tax expense	6	(55,084)	(22,879)	(74,516)	(55,694)
Net Profit / (Loss) for the year		12,748,746	(3,256,676)	6,091,662	3,123,424
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss) for the year		12,748,746	(3,256,676)	6,091,662	3,123,424
Earnings per share					
Basic (toea per share)	9	0.25	(0.07)		
Diluted (toea per share)	9	0.25	(0.07)		

Notes to the financial statements are included on pages 13 to 31.

Kina Asset Management Limited
Statements of Financial Position
As at 31 December 2023

	Note	Consolidated		Company	
		2023	2022	2023	2022
Assets					
Cash and cash equivalents	12	5,987,685	7,105,099	72,816	31,709
Current tax receivables		424,308	365,001	121,842	87,285
Other assets	4	274,999	283,146	333,251	330,856
Financial assets					
Equities at fair value through profit or loss	8	74,205,565	65,235,006	-	-
Government stock at amortized cost	8	1,393,361	1,377,300	-	-
Investment in subsidiary company	11	-	-	1	1
Due from related parties	17	-	-	51,630,433	50,469,088
Deferred tax assets	6	87,429	67,995	-	-
Total assets		82,373,347	74,433,547	52,158,343	50,918,939
Liabilities					
Other payables	7	486,643	197,047	394,623	148,339
Deferred tax liabilities	6	87,103	20,756	87,103	20,756
Total liabilities		573,746	217,803	481,726	169,095
Net assets		81,799,601	74,215,744	51,676,617	50,749,844
Equity					
Fully paid ordinary shares	5	51,472,058	50,617,749	51,472,058	50,617,749
Accumulated gain		30,327,543	23,597,995	204,559	132,095
Total equity		81,799,601	74,215,744	51,676,617	50,749,844

Notes to the financial statements are included on pages 13 to 31.

Kina Asset Management Limited
Statements of Changes in Equity
For the financial year ended 31 December 2023

	Fully paid ordinary shares K	Accumulated gain / (loss) K	Total K
Consolidated			
Balance at 1 January 2022	50,228,256	29,848,149	80,076,405
Transactions with owners			
Issued shares (note 5)	389,493	-	389,493
Dividend	-	(2,993,478)	(2,993,478)
Loss for the year			
Loss for the year	-	(3,256,676)	(3,256,676)
Balance at 31 December 2022	50,617,749	23,597,995	74,215,744
Balance at 1 January 2023	50,617,749	23,597,995	74,215,744
Transactions with owners			
Issued shares (note 5)	854,309	-	854,309
Dividend	-	(6,019,198)	(6,019,198)
Profit for the year			
Profit for the year	-	12,748,746	12,748,746
Balance at 31 December 2023	51,472,058	30,327,543	81,799,601
Company			
Balance at 1 January 2022	50,228,256	2,149	50,230,405
Transactions with owners			
Issued shares (note 5)	389,493	-	389,493
Dividend	-	(2,993,478)	(2,993,478)
Profit for the year			
Profit for the year	-	3,123,424	3,123,424
Balance at 31 December 2022	50,617,749	132,095	50,749,844
Balance at 1 January 2023	50,617,749	132,095	50,749,844
Transactions with owners			
Issued shares (note 5)	854,309	-	854,309
Dividend	-	(6,019,198)	(6,019,198)
Profit for the year			
Profit for the year	-	6,091,662	6,091,662
Balance at 31 December 2023	51,472,058	204,559	51,676,617

Notes to the financial statements are included on pages 13 to 31.

Kina Asset Management Limited

Statements of Cash Flows

For the financial year ended 31 December 2023

	Notes	Consolidated		Company	
		2023 K	2022 K	2023 K	2022 K
Cash flows from operating Activities					
Dividend, interest and other income receipts		5,438,639	4,828,452	-	-
Purchase of shares		(5,266,308)	(5,819,517)	-	-
Proceeds on sale of shares		4,845,539	5,931,418	-	-
Proceeds on GIS		-	500,000	-	-
Payments to suppliers		(1,160,062)	(1,425,258)	(489,175)	(896,972)
Tax credits		-	-	-	-
Tax paid		(42,727)	-	(42,727)	-
Net cash from / (used in) operating activities		3,815,081	4,015,095	(531,902)	(896,972)
Cash flows from investing activities					
Dividends received		-	-	6,019,198	2,993,478
Net cash from investing activities		-	-	6,019,198	2,993,478
Cash flows from financing activities					
Dividend paid		(5,164,889)	(2,603,985)	(5,164,889)	(2,603,985)
Amounts received from related parties		-	-	(280,747)	215,985
Net cash used in financing activities		(5,164,889)	(2,603,985)	(5,445,636)	(2,388,000)
Net increase / (decrease) in cash and cash equivalents		(1,349,808)	1,411,110	41,660	(291,494)
Cash and cash equivalents at the beginning of the financial year		7,105,099	5,828,494	31,709	320,295
Effect of foreign exchange rate changes		232,394	(134,505)	(553)	2,908
Cash and cash equivalents at the end of the financial year	12	5,987,685	7,105,099	72,816	31,709

Notes to the financial statements are included on pages 13 to 31.

Kina Asset Management Limited
Notes to the financial statements
For the financial year ended 31 December 2023

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. These policies have been consistently applied to all periods presented. There were no changes in significant accounting policies in the current financial year.

Application of new and amended International Financial Reporting Standards

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

a) New and amended standards, and interpretations mandatory for the first time as at 31 December 2023

- IFRS 17 – Insurance Contracts
- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8
- Amendments to IAS 12 – deferred tax related assets and liabilities from a single transaction
- Amendment to IAS 12 – International tax reform

These changes did not have any material impact on the company or the Group.

b) New standards, amendments and interpretations issued but not effective as at 31 December 2023 and not early adopted

- Amendment to IFRS 16 – Leases on sale and leaseback
- Amendment to IAS 1 – Non-current liabilities with covenants
- Amendment to IAS 7 and IFRS 7 – Supplier finance
- Amendments to IAS 21 – Lack of Exchangeability

New IFRS sustainability disclosure standards effective after 1 January 2024

- IFRS S1, 'General requirements for disclosure of sustainability-related financial information
- IFRS S2, 'Climate-related disclosures'

The entity has conducted investigations and does not consider that there are any measurement or recognition issues arising from the release of these new pronouncements that will have a significant impact on the reported financial position or financial performance of the company or the Group.

Kina Asset Management Limited
Notes to the financial statements
For the financial year ended 31 December 2023

2. Significant accounting policies (continued)

Basis of preparation

The financial statements 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 statements:

(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 Group's 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.

(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 assets

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.

Kina Asset Management Limited
Notes to the financial statements
For the financial year ended 31 December 2023

2. Significant accounting policies (continued)

(c) Financial assets (continued)

Financial assets at fair value through profit or loss, which includes listed securities are stated at fair value, with any resultant gain or loss recognised in profit or loss whether from pricing changes or from foreign currency rate changes.

Financial assets classified as being at amortised cost are measured at amortised cost using the effective interest rate and include Government Inscribed Stock.

Impairment of financial assets

In relation to the impairment of financial assets, an expected credit loss model is applied. 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. It is not necessary for a credit event to have occurred before credit losses are recognised. The Group recognises loss allowances for expected credit losses on Debt investments measured subsequently at amortised cost and on other receivables.

The Group measures 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. A simplified approach is used for measuring the loss allowance at an amount equal to lifetime ECL for trade and other receivables.

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 interest rate method.

Kina Asset Management Limited
Notes to the financial statements
For the financial year ended 31 December 2023

2. Significant accounting policies (continued)

(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"). Foreign exchange movements for assets held at fair value through profit or loss are included as part of the changes in fair value of financial assets and are further detailed in note 8.

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.

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.

Kina Asset Management Limited
Notes to the financial statements
For the financial year ended 31 December 2023

2. Significant accounting policies (continued)

(e) Income tax (continued)

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 statement of comprehensive income 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 the previous balance date or the cost (if the investment was acquired during the year).

Management fees are charged for management services provided by the holding company to the subsidiary and are based on expenses incurred by the company, and are charged through an intercompany account. These accounts are unsecured, non-interest bearing and are receivable on demand. The amounts are recognized when it is probable that the economic benefits will flow to the company and the amount can be reliably measured. Management fees are recognized as income in the period in which they occur.

Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established, that is, at a point in time.

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. Thus, it is recognized over time.

(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.

Kina Asset Management Limited
Notes to the financial statements
For the financial year ended 31 December 2023

2. Significant accounting policies (continued)

(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.

(i) Critical accounting estimates and judgements

The preparation of financial statements often requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group'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.

(j) Comparative figures

Where necessary, comparative figures are adjusted to conform with changes in presentation.

3. (a) Revenue	Consolidated		Company	
	2023 K	2022 K	2023 K	2022 K
Interest income	407,588	305,914	-	-
Dividend income	4,891,073	4,528,579	6,019,198	2,993,478
(Loss)/Gain on sale of investment Securities	372,372	(544,783)	-	-
Management fees charged to subsidiary	-	-	881,151	1,064,779
	5,671,033	4,289,710	6,900,349	4,058,257
(b) Other operating expenses	Consolidated		Company	
	2023 K	2022 K	2023 K	2022 K
Professional fees	207,392	347,215	177,692	322,715
Audit fees	62,700	1,881	62,700	1,881
Listing fees	42,579	43,369	42,579	43,369
Administration fees	124,755	36,645	122,503	34,594
	437,426	429,110	405,474	402,559

Kina Asset Management Limited
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For the financial year ended 31 December 2023

4. Other assets

	Consolidated		Company	
	2023	2022	2023	2022
	K	K	K	K
Dividend receivable	203,560	122,169	-	-
Withholding taxes recoverable	30,733	113,336	-	113,336
Prepaid insurance	20,044	18,335	20,044	18,335
Other receivables	20,662	29,306	313,207	199,185
	274,999	283,146	333,251	330,856

5. Share capital

	Consolidated		Company	
	Number of Shares	Cost	Number of shares	Cost
Fully paid ordinary shares: 2022				
Beginning	49,891,306	50,228,256	49,891,306	50,228,256
Issued shares:	268,678	389,493	268,678	389,493
Ending	50,159,984	50,617,749	50,159,984	50,617,749
Fully paid ordinary shares: 2023				
Beginning	50,159,984	50,617,749	50,159,984	50,617,749
Issued shares:	534,002	854,309	534,002	854,309
Ending	50,693,986	51,472,058	50,693,986	51,472,058

Fully paid ordinary shares carry one vote per share and the right to dividends. Shares issued under the dividend reinvestment plan have a share price of 1.60 on the shares issued on 19 October 2023 based on net tangible asset backing per share.

6. Income taxes

Income tax recognised in profit or loss

(a) Tax expense comprises:

	Consolidated		Company	
	2023	2022	2023	2022
	K	K	K	K
Current tax expense	8,169	46,750	8,169	46,750
Deferred tax movement	46,915	(23,871)	66,347	8,944
Total tax expense	55,084	22,879	74,516	55,694

Kina Asset Management Limited
Notes to the financial statements
For the financial year ended 31 December 2023

6. Income taxes (continued)

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

	Consolidated		Company	
	2023	2022	2023	2022
	K	K	K	K
Profit / (Loss) before tax	12,803,830	(3,233,797)	6,166,177	3,179,118
Income tax expense calculated at 30%	3,841,149	(970,139)	1,849,853	953,735
Non deductible legal fees	-	-	-	-
Prior adjustments on deferred taxes	45,381	-	30,422	-
Tax effect of non-assessable income and expenses*	(3,831,446)	993,018	(1,805,759)	(898,041)
Income tax expense	55,084	22,879	74,516	55,694

*Tax effect of non-assessable income includes dividends receivable, fair value gain/(loss) on investments, dividend rebate, foreign currency exchange gain/(loss) and gain/(loss) on sale of investments.

The 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.

c) Deferred tax balances

	Consolidated		Company	
	2023	2022	2023	2022
	K	K	K	K
Deferred tax assets movement:				
Beginning	118,872	69,938	44,502	25,553
Movement for the year	(12,383)	48,934	(31,630)	18,949
At end of year	106,489	118,872	12,872	44,502
Deferred tax assets comprise:				
Accrued liabilities	106,489	118,872	12,872	44,502
	106,489	118,872	12,872	44,502
Deferred tax liabilities movement:				
Beginning	71,633	46,570	65,258	37,365
Movement for the year	34,530	25,063	34,717	27,893
At end of year	106,163	71,633	99,975	65,258

Kina Asset Management Limited
Notes to the financial statements
For the financial year ended 31 December 2023

6. Income taxes (continued)

c) Deferred tax balances (continued)

	Consolidated		Company	
	2023	2022	2023	2022
	K	K	K	K
Deferred tax liabilities comprise:				
Prepaid insurance	-	5,500	5,500	5,500
Accounts receivable	106,163	66,133	99,975	59,758
Interest and other receivable	-	-	-	-
	<u>106,163</u>	<u>71,633</u>	<u>105,475</u>	<u>65,258</u>
Net deferred tax asset /(liabilities)	326	47,239	(87,103)	(20,756)
Presented as:				
Net deferred tax asset	87,429	67,995	-	-
Net deferred tax liability	(87,103)	(20,756)	(87,103)	(20,756)
	<u>326</u>	<u>47,239</u>	<u>(87,103)</u>	<u>(20,756)</u>

7. Other payables

	Consolidated		Company	
	2023	2022	2023	2022
	K	K	K	K
Accrued expenses	311,133	197,047	260,887	148,339
Accounts payable	90,310	-	48,536	-
Dividend withholding taxes payable	85,200	-	85,200	-
	<u>486,643</u>	<u>197,047</u>	<u>394,623</u>	<u>148,339</u>

8. Financial assets

	Consolidated		Company	
	2023	2022	2023	2022
	K	K	K	K
<u>Financial assets carried at fair value through profit or loss:</u>				
Listed securities	74,205,565	65,235,006	-	-
Movements:				
Balance at the beginning	65,235,006	71,866,067	-	-
Purchases	5,266,308	5,819,517	-	-
Disposals	(4,473,167)	(6,476,201)	-	-
Changes in fair value and Exchange gain/(loss)*	8,177,418	(5,974,377)	-	-
	<u>74,205,565</u>	<u>65,235,006</u>	<u>-</u>	<u>-</u>

Kina Asset Management Limited
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8. Financial assets (continued)

*Changes in fair value and exchange gain of K8,177,418 (2022: exchange loss K5,974,377) comprises unrealised pricing gain of K4,215,115 (2022: pricing loss K2,494,197) and foreign exchange gain of K3,962,303 (2022: foreign exchange loss of K3,480,180) on KAMLs' equity holdings.

	Consolidated		Company	
	2023	2022	2023	2022
<u>Amortized cost:</u>	K	K	K	K
Government Inscribed Stock	1,393,361	1,377,300	-	-

The application of IFRS 9 has not resulted in a material loss allowance being recognized in the financial year.

Detailed listing of Group's equities carried at fair value through profit or loss as at:

	31 December 2023			31 December 2022		
	Market price (K)	No. of units (Qty)	Market value (K)	Market price (K)	No. of units (Qty)	Market value (K)
Consolidated						
BSP Financial Group Ltd-PNGX	13.70	310,000	4,247,000	12.41	390,000	4,839,900
BSP Financial Group Ltd -ASX	13.80	591,891	8,169,211	11.69	753,842	8,813,710
Credit Corporation (CCP)	2.00	2,146,337	4,292,674	1.85	2,146,337	3,970,723
Kina Securities Limited (KSL)	2.04	2,507,128	5,107,467	1.85	2,000,000	3,698,401
City Pharmacy (CPL)	0.79	697,691	551,176	0.90	697,691	627,922
Auckland International Airport Ltd	20.70	80,000	1,656,226	17.63	80,000	1,410,642
ANZ Bank Limited (ANZ)	66.00	50,000	3,300,229	56.45	45,000	2,540,444
Westpac Bank Limited (WBC)	58.31	56,535	3,296,795	55.71	45,000	2,507,158
Mirvac Group (MGR)	5.32	500,500	2,663,725	5.08	500,500	2,543,701
Transurban Group (TCL)	34.91	90,000	3,142,093	30.97	95,000	2,942,257
CSL Limited (CSL)	729.95	7,750	5,657,086	686.61	7,750	5,321,260
Coles Group Ltd (COL)	41.02	50,000	2,051,184	-	-	-
Telstra Corporation Limited (TLS)	10.08	400,000	4,033,613	9.52	375,000	3,570,150
ResMed Inc (RMD)	64.78	27,500	1,781,514	73.87	22,500	1,662,133
Santos Limited-ASX	19.35	117,119	2,266,627	17.04	117,119	1,995,299
Sonic Healthcare (SHL)	81.69	22,500	1,838,044	71.51	17,500	1,251,432
Suncorp Group Limited (SUN)	35.27	86,715	3,058,321	28.73	75,000	2,154,617
Worley Parsons (WOR)	-	-	-	35.79	40,000	1,431,639
A2 Milk Company Limited (A2M)	10.85	100,000	1,084,798	16.42	75,000	1,231,210
Vanguard International Shares Index	7.79	1,443,513	11,243,748	6.19	1,443,513	8,934,217
Blackrock Wholesale International Indexed Equity Fund	56.31	84,608	4,764,034	44.77	84,617	3,788,191
			74,205,565			65,235,006

Market value is determined from quoted prices in active markets, being the current last price at measurement date. Quoted shares on the Australian Stock Exchange have been translated at the year-end exchange rate (refer note 13(c)).

Kina Asset Management Limited
Notes to the financial statements
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8. Financial assets (continued)

Detailed listing of the Group's Government Inscribed Stock at amortized cost:

Serial Number	Settlement Date	Maturity Date	Coupon Rate	Face Value	31 December 2023 Balance	31 December 2022 Balance
S15052031	24/Oct/2014	15/May/2031	12.00%	500,000	446,546	442,631
S15052027	24/Oct/2014	15/May/2027	10.50%	500,000	468,246	461,039
S15052027	19/Dec/2014	15/May/2027	10.50%	500,000	478,569	473,630
				1,500,000	1,393,361	1,377,300

Government Inscribed Stocks are investments carried at amortised cost. These investments are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. The investments have maturity dates varying between 2027 to 2031. No impairment provision has been recognized.

9. Earnings per share

	Consolidated	
	2023	2022
	Toea	Toea
Basic and diluted earnings per share		
Total basic earnings per share	0.25	(0.07)

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:

	Consolidated	
	2023	2022
	K	K
Net profit/(loss) used in the calculation of basic and diluted EPS	12,748,746	(3,256,676)
	No.	No.
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	50,266,493	49,938,417

10. Contingent liabilities and contingent assets

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

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For the financial year ended 31 December 2023

11. Parent and subsidiary

Name of entity	Country of incorporation	Ownership interest	
		2023 %	2022 %
Parent entity			
Kina Asset Management Limited	Papua New Guinea		
Subsidiary			
Kina Asset Management No 1 Limited	Papua New Guinea	100	100

12. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks and interest bearing deposits with original maturity of less than three months. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

	Consolidated		Company	
	2023 K	2022 K	2023 K	2022 K
Cash and cash equivalents	5,987,685	6,250,159	72,816	31,709
Interest bearing deposit	-	854,940	-	-
	<u>5,987,685</u>	<u>7,105,099</u>	<u>72,816</u>	<u>31,709</u>

Foreign exchange rate movement in the foreign currency denominated cash balances has resulted in gains and losses as follows:

	2023 K	2022 K
Bank of Queensland	84,333	14,451
Credit Suisse	148,061	(148,956)
Gains / (losses)	<u>232,394</u>	<u>(134,505)</u>

13. Financial instruments

(a) Financial risk management objectives

Kina Funds Management Limited's finance function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The directors review and approve investment policy.

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and fair values.

Kina Asset Management Limited
Notes to the financial statements
For the financial year ended 31 December 2023

13. Financial Instruments (continued)

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(c) Foreign currency risk management

The Group holds a substantial proportion of its financial assets denominated in foreign currency, predominantly in the Australian dollar. The exchange rates used for conversion are AUD/Kina 0.3927 (2022: AUD/Kina 0.4191). The Group does not hedge against foreign currency risk, but management regularly monitors the extent of such risk through sensitivity analysis. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

2023	Assets AUD	Liabilities AUD
Australian Dollar	26,919,053	-
2022	Assets AUD	Liabilities AUD
Australian Dollar	26,116,310	-

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of the Australian Dollar.

The following table details the Group's sensitivity to a 10% increase and decrease in the Kina against the Australian Dollar. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes listed shares, cash and term deposits where the denomination of the investment is in Australian Dollar. An increase in profit arises from a decline in the Kina against Australian Dollar; a strengthening in the Kina decreases profit.

2023	Australian Dollar Impact	
	10% increase	10% decrease
Profit/(Loss)	(6,231,718)	7,616,487
2022	Australian Dollar Impact	10% decrease
Profit/(Loss)	(5,665,020)	6,923,913

Kina Asset Management Limited
Notes to the financial statements
For the financial year ended 31 December 2023

13. Financial Instruments (continued)

(d) Credit risk and interest rate management

The Group maintains its cash and bank balances with financial institutions that have good credit standing. Interest rates are periodically monitored.

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 material loss allowance being recognized in the period.

Standard and Poor's credit rating for Papua New Guinea stands at B- with stable outlook, Moody's credit rating for PNG stands at B2, also with stable outlook. Both rating agencies affirm the outlook is stable as of second quarter of 2023.

(e) Liquidity risk

The Group invests the majority of its assets in investments that are traded in an active market. The Group holds securities that are listed on the PNG's National Stock Exchange (PNGX) and the Australian Stock Exchange (ASX). Those securities listed on the ASX are considered readily realisable while those listed on the PNGX are less realizable due to the limited liquidity of the market. Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by holding sufficient cash and cash equivalents. All payables are due for settlement within 0-3 months of year-end.

(f) Other price risk

The Group is exposed to equity price risks arising from equity investments. The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period. If the equity prices had been 5% higher/lower net profit after tax for the year ended 31 December 2023 would increase/decrease by K3,710,278 (2022: K3,261,750).

(g) Fair value of financial instruments

The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices. The fair value of listed equity securities at note 8, are based on quoted market prices at the end of the reporting period. These financial instruments are categorised as Level 1 within the fair value hierarchy. There were no transfers between the fair value hierarchy levels during the year.

The carrying amounts of financial assets and liabilities held at fair value through profit or loss as set out in the statement of financial position are carried at their fair values. The significant methods and assumptions used in estimating the fair values are stated in note 2.

There is no secondary market for the financial assets carried at amortised cost. Due to the absence of an observable market of these debt securities in Papua New Guinea, the amortised cost is considered to be an appropriate approximation for their fair values. The directors consider there is no material difference between the fair value and carrying value of these financial assets.

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14. Segment reporting

The Group operates in one geographical region – Papua New Guinea. For management purposes, segment information determination is based on risk involved with domestic and international securities that are held by the fully owned subsidiary, Kina Asset Management No.1 Limited (“KAML1”).

Kina Asset Management Limited (“KAML”) information relates to results and financial position of the parent entity.

	Domestic K	International K	KAML1 K	KAML K	Total after inter company adjustment K
2023					
Revenue	6,085,969	7,995,434	14,081,403	6,899,796	14,080,845
Expenses			(1,424,548)	(733,618)	(1,277,015)
Operating profit			12,656,855	6,166,178	12,803,830
Income tax benefit / (expense)			19,432	(74,516)	(55,084)
Net profit			12,676,287	6,091,662	12,748,746
Assets	32,477,703	49,680,942	82,158,645	52,158,343	82,307,207
Liabilities			(52,035,660)	(481,726)	(507,606)
Net assets			30,122,985	51,676,617	81,799,601

	Domestic K	International K	KAML1 K	KAML K	Total after inter company adjustment K
2022					
Revenue	3,762,907	(5,584,987)	(1,822,080)	4,061,165	(1,819,172)
Expenses			(1,597,358)	(882,047)	(1,414,625)
Operating profit/(loss)			(3,419,438)	3,179,118	(3,233,797)
Income tax benefit / (expense)			32,816	(55,694)	(22,879)
Net profit/(loss)			(3,386,622)	3,123,424	(3,256,676)
Assets	24,379,772	49,803,111	74,182,883	50,918,939	74,433,547
Liabilities			(50,716,987)	(169,095)	(217,803)
Net assets			23,465,896	50,749,844	74,215,744

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Notes to the financial statements
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15. Capital commitments

There were no material capital commitments at year end.

16. Directors and key management personnel compensation

Details of Director Fees

The total remuneration paid to directors during the financial year was K196,461 (2022: K313,200). The outstanding payable as at 31 December 2023 was K160,867 (2022: K78,300). It consisted of fixed directors' fees, as follows:

	2023	2022
	K	K
Sir Rabbie Namaliu	22,600	90,400
Gregory Taylor	-	75,600
David Kavanamur	26,661	-
Sydney George Yates	88,800	88,800
Dame Monica Salter	58,400	58,400
	196,461	313,200

17. Related party transactions

(a) Equity interests in subsidiary

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 11 to the financial statements.

(b) Transactions with key management personnel

i. Key management personnel compensation

Details of key management personnel compensation are disclosed in note 16 to the financial statements. The Group does not have employees.

ii. Loans to key management personnel

There have been no loans to key management personnel of the Company or to their related entities.

iii. Transactions with key management personnel of the Company

During the financial year there were no transactions with key management personnel.

Kina Asset Management Limited
Notes to the financial statements
For the financial year ended 31 December 2023

17. Related party transactions (continued)

(c) Transactions with other related parties

Other related parties include:

- Sydney George Yates owns Columbus Investments Limited which is a shareholder of Kina Asset Management Limited, Kina Securities Limited, Credit Corporation PNG Limited and Bank of South Pacific.
- Dame Monica Salter owns Monian Limited which is a shareholder of Kina Asset Management Limited, Kina Securities Limited and Credit Corporation PNG Limited.
- David Kavanamur owns shares in Kina Securities Limited, Santos Limited and Bank of South Pacific.

Outstanding payable to Kina Funds Management Limited as at 31 December 2023 was K87,470 (2022: K41,510). Kina Funds Management Limited provided investment management services that are disclosed in the income statement.

A management fee of K511,445 (2022: K506,027) is paid to Kina Fund Management Limited for services rendered by the entity.

(d) Transactions between the Company and its subsidiary

During the financial year, the holding company charged management fees of K881,151 (2022: K1,064,779) to its subsidiary. The management fee is charged by the holding company, based on expenses incurred by the company. Payment is made through the intercompany account. At 31 December 2023, the subsidiary owed the Company K51,630,433 (2022: K50,469,088). These accounts are unsecured, non-interest bearing and are receivable on demand. Management has assessed no credit loss provision is required in relation to this asset.

(e) Equity interests held by key management personnel

- Sydney George Yates: 3,550,261 shares held through Columbus Investments Limited (2022: 3,550,261).
- Dame Monica Salter: 11,973,117 shares held through Monian Limited (2022:11,973,117)

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17. Related party transactions (continued)

(f) Interests register

Director	Name of Company	Position Held
Syd Yates	Columbus Asset Management Pty Ltd	Director/Shareholder
	Columbus Investments Limited (hold shares in PNG & Australian listed companies - Family company)	Director/Shareholder
	Kina Asset Management No.1 Limited	Director
	Columbus Consulting Pty Ltd (Australian Family Company)	Owner
	S & B Yates Pty Ltd (Family Superfund)	Director
Dame Monica Salter	Kina Asset Management No.1 Limited	Director
	Monian Group of Companies	Director/Shareholder
	Air Niugini Ltd	Director
	Rotary Club of Port Moresby	Member
	Salvation Army Advisory Board	Member
	Soroptimist International Port Moresby	Member
	PNG Institute of Directors	Fellow
Lavongai Equities Limited	Director	
David Kavanamur	Kina Asset Management No.1 Limited	Director
	Kumul Consolidated Holdings and subsidiaries	Managing Director
	Bank of Papua New Guinea	Director
	Kumul Hotels Limited	Director
	Gazelle International Limited	Director

Kina Asset Management Limited
Notes to the financial statements
For the financial year ended 31 December 2023

18. Remuneration of auditors

	Consolidated		Company	
	2023	2022	2023	2022
	K	K	K	K
Audit of the financial report	62,700	64,581	62,700	64,581
Other services	54,716	65,569	54,716	65,569
	117,416	130,150	117,416	130,150

The auditor of the Group is PricewaterhouseCoopers PNG (2022: PWC PNG).

19. Dividends

A total dividend of K6,019,198 was declared and paid (2022: K2,993,478).

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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	Sydney George Yates Dame Monica Salter David Kavanamur (Appointed 17 July 2023)
Secretary	Sydney George Yates
Auditor	PricewaterhouseCoopers PNG Chartered Accountants PwC Haus, Level 6, Harbour City, Konedobu,
Bankers	Westpac Bank Limited, Papua New Guinea Kina Bank Limited, Papua New Guinea Credit Suisse, Australia Bank of Queensland, Australia
Stock Exchange	Papua New Guinea National Stock Exchange
Broker	Kina Securities Limited
Share Registry	PNG Registries Limited
Investment Manager	Kina Funds Management Limited