

Kina Asset Management Limited

Condensed interim consolidated financial statements for the half year ended 30 June 2024

**Kina Asset Management Limited
Condensed Interim Consolidated Financial Statements
for the half year ended 30 June 2024**

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Kina Asset Management Limited

Directors' report For the half year ended 30 June 2024

The directors of Kina Asset Management Limited (the Company) submit herewith the condensed interim consolidated financial report of the Group for the half year ended 30 June 2024. 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 2024 are:

Directors

Sydney George Yates	Acting Chairman
Monica Esther Salter	Non - executive director
David Kavanamur	Non - executive director

Company Secretary

The company secretary is Sydney George Yates.

Review of operations

During the period, the Group reported a profit after tax of K9,957,759 (2023: K5,345,636 net profit) after income tax credit of K63,491 (2023: expense K47,458).

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 period. The new and revised IFRS that were in effect for the period commencing, 1 January 2024 had no impact on the Group.

Dividends

No interim dividend was declared during the half year ended 30 June 2024.

Directors' remuneration

The total remuneration paid to directors during the period was K102,802 (2023: K109,935) which consists of fixed directors' fees.

Kina Asset Management Limited

Directors' report, continued For the half year ended 30 June 2024

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 PricewaterCoopers and should be read in conjunction with the independent auditor's 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



Sydney George Yates, OBE

Acting Chairman

Port Moresby, 13 September 2024



Monica Salter, DBE

Director

Port Moresby, 13 September 2024

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

Conclusion

We have reviewed the half-year financial report of Kina Asset Management Limited (the "Company") and its subsidiary (the "Group"), which comprises the condensed interim consolidated statement of financial position as at 30 June 2024, the condensed interim consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date and notes comprising a summary of material accounting policies and other explanatory information.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group is not:

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and
- Complying with International Accounting Standard IAS 34 *Interim Financial Reporting* and the *Companies Act 1997 (amended 2022)*.

Basis for Conclusion

We conducted our review in accordance with ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("the Code") issued by the International Ethics Standard Board for Accountants (IESBA) that are relevant to our review of the half-year financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with International Accounting Standards IAS 34 *Interim Financial Reporting* and the *Companies Act 1997 (amended 2022)* and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.


Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with International Accounting Standard IAS 34 *Interim Financial Reporting* and the *Companies Act 1997 (amended 2022)*.

A review of a half-year financial report 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 Standards on Auditing 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.



DELOITTE TOUCHE TOHMATSU



Herbert Maguma

Partner

Registered under the Accountants Act 1996

Port Moresby, 13 September 2024

Kina Asset Management Limited

**Directors' declaration
For the half year ended 30 June 2024**

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



Sydney George Yates, OBE
Acting Chairman
Port Moresby, 13 September 2024



Monica Salter, DBE
Director
Port Moresby, 13 September 2024

Kina Asset Management Limited
Condensed Interim Consolidated Statement of Comprehensive Income
For the half year ended 30 June 2024

	Notes	Consolidated Half Year Ended 30 June 2024 Unaudited K	2023 Unaudited K
Revenue	3(a)	2,913,329	3,449,592
Changes in fair value of financial assets		7,728,294	2,609,383
Foreign currency loss		35,479	(72,688)
Total income		10,677,102	5,986,287
Directors' fees		(102,802)	(109,935)
Insurance		(20,044)	(18,335)
Management fees		(287,057)	(250,952)
Share registry fees		(40,497)	(24,079)
Other operating expenses	3(b)	(332,434)	(189,892)
Profit before tax		9,894,268	5,393,094
Income tax	6	63,491	(47,458)
Net Profit for the period		9,957,759	5,345,636
Other comprehensive income		-	-
Total comprehensive income for the period		9,957,759	5,345,636

Earnings per share

Basic (toea per share)	8	0.20	0.11
Diluted (toea per share)	8	0.20	0.11

The accompanying notes to the interim consolidated financial statements form an integral part of the interim consolidated financial statements.

Kina Asset Management Limited
Condensed Interim Consolidated Statement of Financial Position
As at 30 June 2024

		Consolidated	
	Notes	30 June 2024 Unaudited	31 December 2023 Audited
		K	K
Assets			
Cash and cash equivalents	11	7,547,711	5,987,685
Other receivables	4	651,985	274,999
Investments at:			
- Fair value through profit and loss	7	82,091,305	74,205,565
- Amortised cost		1,402,203	1,393,361
Current tax receivables		498,593	424,308
Deferred tax assets	6	83,135	87,429
Total assets		92,274,932	82,373,347
Liabilities			
Other payables	5	436,344	486,643
Deferred tax liabilities	6	81,228	87,103
Total liabilities		517,572	573,746
Net assets		91,757,360	81,799,601
Equity			
Fully paid ordinary shares	13	51,472,058	51,472,058
Retained profits		40,285,302	30,327,543
Total equity		91,757,360	81,799,601

The accompanying notes to the interim consolidated financial statements form an integral part of the interim consolidated financial statements.

Kina Asset Management Limited
Condensed Interim Consolidated Statement of Changes in Equity
For the half year ended 30 June 2024

	Attributable to the equity holders of the Group		
	Fully paid ordinary shares	Retained profits	Total
	K	K	K
Balance at 1 January 2023	50,617,749	23,597,995	74,215,744
Profit for the period	-	5,345,636	5,345,636
Other comprehensive income	-	-	-
Balance at 30 June 2023 (unaudited)	50,617,749	28,943,631	79,561,380
Transactions with owners			
- Issued shares	854,309	-	854,309
- Dividends	-	(6,019,198)	(6,019,198)
Profit for the period	-	7,403,110	7,403,110
Other comprehensive income	-	-	-
Balance at 31 December 2023 (audited)	51,472,058	30,327,543	81,799,601
Balance at 1 January 2024	51,472,058	30,327,543	81,799,601
Profit for the period	-	9,957,759	9,957,759
Other comprehensive income	-	-	-
Balance at 30 June 2024 (unaudited)	51,472,058	40,285,302	91,757,360

The accompanying notes to the interim consolidated financial statements form an integral part of the interim consolidated financial statements.

Kina Asset Management Limited
Condensed Interim Consolidated Statement of Cash Flows
For the half year ended 30 June 2024

		Consolidated Half Year Ended 30 June	
	Notes	2024 Unaudited K	2023 Unaudited K
Cash flows from operating activities			
Dividend, interest and other income receipts		2,574,064	2,989,848
Purchase of listed securities	7	(157,446)	(1,184,484)
Sale of listed securities		-	1,222,456
Payments to suppliers and third parties		(890,785)	(441,509)
Income tax paid		-	(21,364)
Net cash from operating activities		1,525,833	2,564,947
Net cash from investing activities		-	-
Cash flows used in financing activities			
Proceeds from issuance of shares		-	-
Dividends paid		-	-
Net cash used in financing activities		-	-
Net increase in cash and cash equivalents		1,525,833	2,564,947
Effect of changes in the foreign exchange rates on cash and cash equivalents		34,193	(67,634)
Cash and cash equivalents at 1 January		5,987,685	7,105,099
Cash and cash equivalents at 30 June	11	7,547,711	9,602,412

The accompanying notes to the interim consolidated financial statements form an integral part of the interim consolidated financial statements.

Kina Asset Management Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the half year ended 30 June 2024

1. General information

Kina Asset Management Limited (the Company) and its subsidiary Kina Asset Management No. 1 Limited (together “the Group”) are investment companies incorporated as limited liability companies in Papua New Guinea.

2. Material accounting policies

Statement of compliance

The condensed interim consolidated financial statements of Kina Asset Management Limited and its subsidiary (the Group) have been prepared in accordance with IAS34 Interim Financial Reporting.

For more details on the accounting policies, please refer to the annual report of Kina Asset Management Limited for the year ended 31 December 2023. These policies have been consistently applied to all periods presented. There were no changes in material accounting policies in the current half year period.

Application of new and amended International Financial Reporting Standards

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

New and amended standards, and interpretations mandatory for the first time as at 30 June 2024

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

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 2024.

Basis of preparation

The financial statements have 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 material 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.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Kina Asset Management Limited
Notes to the Condensed Interim Consolidated Financial Statements
For the half year ended 30 June 2024

2. Material 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 and includes listed securities.

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. In other words, it is not necessary for a credit event to have occurred before credit losses are recognised. The Group recognises 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 apply.

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 for measuring the loss allowance is used at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables.

Investments in PNG Government Debt instruments measured at amortised cost are subject to impairment, however the application of this policy 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 2024

2. Materia accounting policies (continued)

Financial liabilities

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

Financial liabilities at amortised cost

Financial liabilities at amortised cost, including borrowings, are initially measured at fair value, net of transaction costs.

These 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 2024

2. Material 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 statement of comprehensive income, 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 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.

**Notes to the Condensed Interim Consolidated Financial Statements
For the half year ended 30 June 2024**

	Consolidated	
	At 30 June 2024 Unaudited K	At 31 December 2023 Audited K
5. Other payables		
Accrued expenses	203,460	311,133
Accounts payable	232,884	90,310
Other payables	-	85,200
	436,344	486,643

6. Income tax

Income tax (credit) expense recognised in profit or loss

(a) Tax (credit) / expense comprises:

	Consolidated Half Year Ended 30 June	
	2024 Unaudited K	2023 Unaudited K
Current tax	31,866	3,088
Deferred tax	(591)	(1,012)
Prior year under/ (over) provision	(94,766)	45,382
Total tax (credit) / expense	(63,491)	47,458

(b) The prima facie income tax expense on to the income tax expense calculated at 30% in the financial statements as follows:

	Consolidated Half Year Ended 30 June	
	2024 Unaudited K	2023 Unaudited K
Profit/(loss) before tax	9,894,268	5,393,094
Income tax expense calculated at 30%	2,968,281	1,617,928
Prior year under/ (over) provision	(93,776)	-
Tax effect of non-assessable items*	(2,937,006)	(1,615,852)
Prior year adjustments on deferred taxes	(990)	45,382
	(63,491)	47,458

Kina Asset Management Limited

Notes to the Condensed Interim Consolidated Financial Statements For the half year ended 30 June 2024

*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.

6. Income tax continued:

	Consolidated At 30 June 2024 Unaudited	At 31 December 2023 Audited
	K	K
Deferred tax assets comprise:		
Accrued liabilities	98,728	106,489
	<u>98,728</u>	<u>106,489</u>
Deferred tax liabilities comprise:		
Prepaid insurance	-	-
Interest and other receivable	96,821	106,163
	<u>96,821</u>	<u>106,163</u>
Net deferred tax assets	<u>1,907</u>	<u>326</u>
Presented as:		
Net deferred tax assets	83,135	87,429
Net deferred tax liabilities	<u>(81,228)</u>	<u>(87,103)</u>
	<u>1,907</u>	<u>326</u>

7. Investments – fair value through profit and loss

Fair values of listed investments are measured based on the quoted market prices, being the current last price at measurement date.

	Consolidated At 30 June 2024 Unaudited	At 31 December 2023 Audited
Listed Securities	82,091,305	74,205,565
Movements		
Balance at the beginning of the period	74,205,565	65,235,006
Purchases	157,446	5,266,308
Disposals	-	(4,473,167)
Change in fair value including exchange gain/(loss)	7,728,294	8,177,418
Closing Balance	82,091,305	74,205,565
The breakdown by markets are as follows		
Domestic markets	26,339,440	22,367,528
Australia markets	37,588,620	35,830,255
Global markets	18,163,245	16,007,782
Closing Balance	82,091,305	74,205,565

The listed investments are classified as level 1 in the fair value hierarchy. Due to the nature of the listed investments, their carrying amount is considered to be the same as their fair value.

Kina Asset Management Limited

Notes to the Condensed Interim Consolidated Financial Statements For the half year ended 30 June 2024

	Consolidated Half Year Ended 30 June	
8. Earnings per share	2024 Toea per share	2023 Toea per share
Basic and diluted earnings per share		
Total earnings per share	0.20	0.11
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	9,957,759	5,345,636
	2024 No.	2023 No.
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	50,693,986	50,159,984

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 transactions with the Company on normal terms and conditions.

(a) 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, Bank of South Pacific and City Pharmacy Limited.

Dame Monica Salter is a substantial shareholder of 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 30 June 2024 was K49,957 (31 December 2023: K87,470). Kina Funds Management Limited provided investment management services that are presented in the Condensed Interim Consolidated Statement of Comprehensive Income in line Management Fees. During the half year ended 30 June 2024, a management fee of K287,057 (2023: K511,445) was paid to Kina Funds Management Limited for services rendered by the entity.

The following additional disclosures have been included to enhance those reported in previous periods:

In addition to the previously disclosed related parties, Kina Securities Limited is the ultimate parent entity of Kina Funds Management Limited and is also the Company's stockbroker for investment activities on PNG stock exchange. The amount payable to Kina Securities Limited as at 30 June 2024 was K nil (31 December 2023: K nil). The total fees paid during the half year ended 30 June 2024 for stock brokering services was K nil (2023: K nil).

Kina Asset Management Limited

Notes to the Condensed Interim Consolidated Financial Statements For the half year ended 30 June 2024

Kina Assets Management No.1 Limited (the subsidiary) has equity investments in Kina Securities Limited. The fair value of the equity holdings as at 30 June 2024 was K 5,963,246. (Dec 2023: K 5,107,467).

Kina Securities Limited has equity investments in the Company (Kina Asset Management Limited) and total holding as at 30 June 2024 was 70 shares (Dec 2023: 70 shares).

(b) Equity interests held by key management personnel

Sydney George Yates: 3,556,722 shares held through Columbus Investment Limited (2023: 3,550,261)
Monica Salter: 11,973,117 shares held through Monian Limited (2023: 11,973,117)

Remuneration of Directors:

	Consolidated Half Year Ended 30 June	
	2024	2023
	Unaudited	Unaudited
	K	K
Sir Rabbie Langanai Namaliu*	11,300	22,600
Gregory Frank Taylor	-	13,735
Sydney George Yates	44,400	44,400
Monica Salter	29,200	29,200
David Kavanamur	13,330	-

*Ceased on 31 March 2023, but unpaid director fee relating to year 2023 was paid to his Estate during the half year ended 31 June 2024.)

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	At 31 December
	2024	2023
	Unaudited	Audited
	K	K
Cash and cash equivalents	7,547,711	5,987,685
	7,547,711	5,987,685

Kina Asset Management Limited

Notes to the Condensed Interim Consolidated Financial Statements For the half year ended 30 June 2024

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 2024 (unaudited):

	Domestic K	International K	Total K
Dividend, interest income and gain on sale of investments	1,739,617	1,173,712	2,913,329
Changes in fair market value of Investments	3,971,912	3,756,381	7,728,294
Foreign currency gain		35,479	35,479
Expenses			(782,834)
Operating profit			9,894,268
Income tax expense/ (credit)			63,491
Net profit			9,957,759
Assets	32,671,929	59,603,003	92,274,932
Liabilities			(517,572)
Net assets			91,757,360

For the half year ended 30 June 2023 (unaudited):

	Domestic K	International K	Total K
Dividend, interest income and gain on sale of investments	2,237,221	1,212,371	3,449,592
Changes in fair market value of Investments	89,473	2,519,910	2,609,383
Foreign currency loss		(72,688)	(72,688)
Expenses			(593,193)
Operating profit			5,393,094
Income tax expense			(47,458)
Net profit			5,345,636

As at 31 December 2023 (audited)

Assets	32,543,843	49,829,504	82,373,347
Liabilities			(573,746)
Net assets			81,799,601

**Notes to the Condensed Interim Consolidated Financial Statements
For the half year ended 30 June 2024**

13. Fully paid ordinary shares

	Consolidated At 30 June 2024		Consolidated At 31 December 2023	
	Number of shares	Cost	Number of shares	Cost
Fully paid ordinary shares:				
Beginning	50,693,986	51,472,058	50,159,984	50,617,749
Issued shares:	-	-	534,002	854,309
Ending	50,693,986	51,472,058	50,693,986	51,472,058

Shares were issues under the Group's dividend reinvestment programme.

14. Subsequent events

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

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 Monica Esther Salter David Kavanamur
Secretary	Sydney George Yates
Auditor	Deloitte Touche Tohmatsu Level 9, Deloitte Haus, MacGregor Street 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 Morgans Financial Limited
Share Registry	PNG Registries Limited
Investment Manager	Kina Funds Management Limited