

Kina Asset Management Limited

Condensed interim consolidated financial statements for the half year ended 30 June 2023

**Kina Asset Management Limited
Condensed Interim Consolidated Financial Statements
for the half year ended 30 June 2023**

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Kina Asset Management Limited

Directors' report For the half year ended 30 June 2023

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 2023. 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 2023 are:

Directors

Sydney George Yates	Managing director
David Kavanamur	Non - executive director Appointed 17 July 2023
Monica Esther Salter	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 K5,345,636 (2022: K4,742,927 net loss) after income tax expense of K47,458 (2022: benefit K27,116).

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 2023 had no impact on the Group.

Dividends

No interim dividend was declared during the half year ended 30 June 2023.

Directors' remuneration

The total remuneration to directors during the period was K109,935 (2022: K156,600) which consists of fixed directors' fees.

Kina Asset Management Limited

Directors' report, continued For the half year ended 30 June 2023

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

Subsequent to 30 June 2023, the Directors have declared a dividend of 12 toea per share, payable on 19 October 2023.

Other than the matter above, 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

Director

Port Moresby, 13 September 2023



Monica Salter

Director

Port Moresby, 13 September 2023



Report on review of condensed interim consolidated financial statements

to the Directors of Kina Asset Management Limited

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Kina Asset Management Limited (the Company) and its subsidiary (together the Group) as at 30 June 2023 and the related condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation and presentation of the condensed interim consolidated financial statements in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on the condensed interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements of the Group are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting'.



Restriction on distribution or use

This report is made solely to the Directors of the Group, as a body. Our review work has been undertaken so that we might state to the Directors those matters which we are required to state to them in our review report and for no other purpose. We do not accept or assume responsibility to anyone other than the Directors of the Group, as a body, for our review work, for this report or for the conclusion we have formed.

PricewaterhouseCoopers

PricewaterhouseCoopers

J. Grasso

Jonathan Grasso

Partner

Registered under the Accountants Act 1996

Port Moresby

13 September 2023

Kina Asset Management Limited

Directors' declaration For the half year ended 30 June 2023

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
Director
Port Moresby, 13 September 2023



Monica Salter
Director
Port Moresby, 13 September 2023

Kina Asset Management Limited
Condensed Interim Consolidated Statement of Comprehensive Income
For the half year ended 30 June 2023

	Notes	Consolidated Half Year Ended 30 June 2023 Unaudited K	2022 Unaudited K
Revenue	3(a)	3,449,592	3,249,595
Changes in fair value of financial assets		2,609,383	(7,053,252)
Foreign currency loss		(72,688)	(228,395)
Total income / (loss)		5,986,287	(4,032,052)
Directors' fees		(109,935)	(156,600)
Insurance		(18,335)	(21,019)
Management fees		(250,952)	(254,633)
Share registry fees		(24,079)	(63,110)
Other operating expenses	3(b)	(189,892)	(242,629)
Profit / (Loss) before tax		5,393,094	(4,770,043)
Income tax (expense) / benefit	6	(47,458)	27,116
Net Profit / (Loss) for the period		5,345,636	(4,742,927)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the period		5,345,636	(4,742,927)

Earnings per share

Basic (toea per share)	8	0.11	(0.10)
Diluted (toea per share)	8	0.11	(0.10)

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 2023

	Notes	Consolidated	
		30 June 2023 Unaudited	31 December 2022 Audited
		K	K
Assets			
Cash and cash equivalents	11	9,602,412	7,105,099
Other receivables	4	722,450	283,146
Investments at:			
- Fair value through profit and loss	7	67,786,733	65,235,006
- Amortised cost		1,385,071	1,377,300
Tax receivables		415,627	365,001
Deferred tax assets	6	62,982	67,995
Total assets		79,975,275	74,433,547
Liabilities			
Other payables	5	353,785	197,047
Deferred tax liabilities	6	60,110	20,756
Total liabilities		413,895	217,803
Net assets		79,561,380	74,215,744
Equity			
Fully paid ordinary shares	13	50,617,749	50,617,749
Retained profits		28,943,631	23,597,995
Total equity		79,561,380	74,215,744

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 2023

	Attributable to the equity holders of the Group		
	Fully paid ordinary shares	Retained profits	Total
	K	K	K
Balance at 1 January 2022	50,228,256	29,848,149	80,076,405
Transactions with owners			
- Issued shares	-	-	-
- Dividends	-	-	-
Loss for the period	-	(4,742,927)	(4,742,927)
Other comprehensive income	-	-	-
Balance at 30 June 2022 (unaudited)	50,228,256	25,105,222	75,333,478
Transactions with owners			
- Issued shares	389,493	-	389,493
- Dividends	-	(2,993,478)	(2,993,478)
Profit for the period	-	1,486,251	1,486,251
Other comprehensive income	-	-	-
Balance at 31 December 2022 (audited)	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	-	-	-
- Dividends	-	-	-
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

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 2023

		Consolidated Half Year Ended 30 June	
	Notes	2023 Unaudited K	2022 Unaudited K
Cash flows from operating activities			
Dividend, interest and other income receipts		2,989,848	2,627,384
Purchase of listed securities	7	(1,184,484)	(2,267,501)
Sale of listed securities		1,222,456	2,641,030
Payments to suppliers and third parties		(441,509)	(257,475)
Income tax paid		(21,364)	-
Net cash from operating activities		2,564,947	2,743,438
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		2,564,947	2,743,438
Effect of changes in the foreign exchange rates on cash and cash equivalents		(67,634)	(228,395)
Cash and cash equivalents at 1 January		7,105,099	5,828,494
Cash and cash equivalents at 30 June	11	9,602,412	8,343,537

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 2023

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. Significant 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 2022. These policies have been consistently applied to all periods presented. There were no changes in significant 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 2023

- Amendments to IFRS 17
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

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 2023.

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.

Kina Asset Management Limited
Notes to the Condensed Interim Consolidated Financial Statements
For the half year ended 30 June 2023

2. Significant accounting policies (continued)

(b) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) Financial instruments

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

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

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

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

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss 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 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 2023

2. Significant accounting policies (continued)

Financial liabilities

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

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(d) Foreign currency

The individual financial statements of the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the functional currency is Papua New Guinea Kina ("PNG Kina").

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

(e) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

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

Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Kina Asset Management Limited
Notes to the Condensed Interim Consolidated Financial Statements
For the half year ended 30 June 2023

2. Significant accounting policies (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the 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.

Kina Asset Management Limited

Notes to the Condensed Interim Consolidated Financial Statements For the half year ended 30 June 2023

2. Significant accounting policies (continued)

(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 Group's net assets

3. Profit and loss

	Consolidated Half Year Ended 30 June	
	2023 Unaudited K	2022 Unaudited K
(a) Revenue		
Dividend income	3,260,089	2,962,500
Interest income	209,187	134,731
Gain/(loss) on sale of listed securities	(19,684)	152,364
	3,449,592	3,249,595
(b) Other operating expenses		
Professional fees	65,232	141,533
Accounting fees	42,383	41,355
Auditor's fees	31,350	1,881
Printing	24,455	16,523
Listing fees	21,290	23,399
Travel and accommodation	3,896	5,871
Accounting software fees	675	1,505
Bank charges	611	628
Meeting	-	9,002
Advertising	-	832
Registration fees	-	100
	189,892	242,629
	Consolidated	
	At 30 June 2023 Unaudited K	At 31 December 2022 Audited K
4. Other receivables		
Dividends receivable	629,898	122,169
Withholding taxes	50,600	113,336
Other prepayments and receivables	41,952	47,641
	722,450	283,146

Kina Asset Management Limited

Notes to the Condensed Interim Consolidated Financial Statements For the half year ended 30 June 2023

	Consolidated	
	At 30 June 2023 Unaudited K	At 31 December 2022 Audited K
5. Other payables		
Accrued expenses	232,932	197,047
Accounts payable	120,853	-
	353,785	197,047

6. Income tax

Income tax expense recognised in profit or loss

(a) Tax expense comprises:

	Consolidated Half Year Ended 30 June	
	2023 Unaudited K	2022 Unaudited K
Current tax expense	3,088	53,681
Deferred tax	(1,012)	(80,797)
Prior year under provision	45,382	-
Total tax expense / (credit)	47,458	(27,116)

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

	Consolidated Half Year Ended 30 June	
	2023 Unaudited K	2022 Unaudited K
Profit/(loss) before tax	5,393,094	(4,770,043)
Income tax expense calculated at 30%	1,617,928	(1,431,013)
Tax effect of non-assessable items*	(1,615,852)	1,403,897
Prior year adjustments on deferred taxes	45,382	-
	47,458	(27,116)

*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.

Notes to the Condensed Interim Consolidated Financial Statements
For the half year ended 30 June 2023

6. Income tax continued:

	Consolidated	Consolidated
	At 30 June	At 31 December
	2023	2022
	Unaudited	Audited
	K	K
Deferred tax assets comprise:		
Accrued liabilities	78,574	118,872
	<u>78,574</u>	<u>118,872</u>
Deferred tax liabilities comprise:		
Prepaid insurance	-	5,500
Interest and other receivable	75,702	66,133
	<u>75,702</u>	<u>71,633</u>
Net deferred tax assets	<u>2,872</u>	<u>47,239</u>
Presented as:		
Net deferred tax assets	62,982	67,995
Net deferred tax liabilities	(60,110)	(20,756)
	<u>2,872</u>	<u>47,239</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	At 31 December
	2023	2022
	Unaudited	Audited
	K	K
Listed Securities	67,786,733	65,235,006
Movements		
Balance at the beginning of the period	65,235,006	71,866,067
Purchases	1,184,484	5,819,517
Disposals	(1,242,140)	(6,476,201)
Change in fair value including exchange gain/(loss)	2,609,383	(5,974,377)
Closing balance	67,786,733	65,235,006
The breakdown by markets are as follows		
Domestic markets	20,973,981	21,950,656
Australia markets	32,121,607	30,561,942
Global markets	14,691,145	12,722,408
Closing balance	67,786,733	65,235,006

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. There has been no changes in the input levels from prior periods.

Kina Asset Management Limited

Notes to the Condensed Interim Consolidated Financial Statements For the half year ended 30 June 2023

	Consolidated Half Year Ended 30 June	
8. Earnings per share	2023 Toea per share	2022 Toea per share
Basic and diluted earnings per share		
Total earnings per share	0.11	(0.10)
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	5,345,636	(4,742,972)
	2023 No.	2022 No.
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	50,159,984	49,891,306

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.

Sydney George Yates owns Columbus Investment Limited which is a shareholder of Kina Asset Management Limited, Kina Securities Limited, Credit Corporation PNG Limited and Bank of South Pacific.

Monica Salter owns shares in Credit Corporation PNG Limited and Monian Limited which is a shareholder of Kina Asset Management Limited.

Equity interests held by key management personnel:

Sydney George Yates: 3,550,261 shares held through Columbus Investment Limited (2022: 3,550,261).

Monica Salter: 11,973,117 shares held through Monian Limited (2022: 11,973,117).

Remuneration of Directors:

	Consolidated Half Year Ended 30 June	
	2023 Unaudited K	2022 Unaudited K
Sir Rabbie Langanai Namaliu	22,600	45,200
Gregory Frank Taylor	13,735	37,800
Sydney George Yates	44,400	44,400
Monica Salter	29,200	29,200

Kina Asset Management Limited

Notes to the Condensed Interim Consolidated Financial Statements For the half year ended 30 June 2023

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 2023	At 31 December 2022
	Unaudited	Audited
	K	K
Cash and cash equivalents	9,602,412	6,250,159
Interest bearing deposits	-	854,940
	9,602,412	7,105,099

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 2023 (unaudited):

	Domestic	International	Total
	K	K	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	89,472	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
Assets	25,555,810	54,419,465	79,975,275
Liabilities			(413,895)
Net assets			79,561,380

Kina Asset Management Limited

Notes to the Condensed Interim Consolidated Financial Statements For the half year ended 30 June 2023

12. Segment reporting (continued)

For the half year ended 30 June 2022 (unaudited):

	Domestic K	International K	Total K
Dividend, interest income and gain on sale of investments	2,494,626	754,969	3,249,595
Changes in fair market value of Investments	830,820	(7,884,072)	(7,053,252)
Foreign currency loss	-	(228,395)	(228,395)
Expenses			(737,991)
Operating profit			(4,770,043)
Income tax benefit			27,116
Net loss			(4,742,927)
As at 31 December 2022 (audited)			
Assets	24,630,436	49,803,111	74,433,547
Liabilities			(217,803)
Net assets			74,215,744

13. Fully paid ordinary shares

	Consolidated At 30 June 2023		Consolidated At 31 December 2022	
	Number of shares	Cost	Number of shares	Cost
Fully paid ordinary shares:				
Beginning	50,159,984	50,617,749	49,891,306	50,228,256
Issued shares	-	-	268,678	389,493
Ending	50,159,984	50,617,749	50,159,984	50,617,749

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

14. Subsequent events

Subsequent to 30 June 2023, the Directors have declared a dividend of 12 toea per share payable on 19 October 2023. Other than the above, there were no subsequent events that may require disclosure in 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	PricewaterhouseCoopers Chartered Accountants PO Box 484 Port Moresby Papua New Guinea
Bankers	Westpac Bank Limited, Papua New Guinea Kina Bank Limited, Papua New Guinea Credit Suisse, Australia Bank of Queensland, Australia
Stock Exchange	PNG National Stock Exchange Limited
Broker	Kina Securities Limited
Share Registry	PNG Registries Limited
Investment Manager	Kina Funds Management Limited