



FINAL YEAR RESULTS FOR ANNOUNCEMENT TO THE MARKET AS AT 31 DECEMBER 2022

The reporting period is the full year ended 31 December 2022, and the corresponding prior period is the year ended 31 December 2021.

Highlights

Kina Asset Management Ltd (**KAML** the **Company** or the **Fund**) recorded a net loss after tax of K3.26 million for the full year ended 31 December 2022 (FY2021: net profit after tax of K5.97 million).

The Company reported an investment return of -2.3% for the full year. After strong gains in 2021, share markets in most developed and developing countries reported losses in 2022. The Russian invasion of Ukraine in late February escalated global geo-political tensions, worsened ongoing supply chain disruptions from new Covid-19 outbreaks, and caused commodity prices to rise strongly.

Later in the year, broadening inflationary pressures caused central banks to rapidly withdraw the monetary stimulus which had supported the global economy since the global financial crisis. As a result, capital losses of K2.5 million were recorded on the Fund's equity holdings for the full year (FY2021: capital gains of K6.0 million).

Notwithstanding the deteriorating economic conditions, the Company's investments delivered strong earnings, with dividend and interest income of K4.8 million recorded for the full year (FY2021: K4.5 million).

The broad-based appreciation of the US Dollar continued during the year, resulting in a decline in the value of the Australian dollar against the PNG Kina through the operation of PNG's exchange rate fixing policies. This resulted in foreign currency exchange losses of K3.6 million for the full year (FY2021: K3.6 million).

The Fund's asset allocation as at 31 December 2022 was 32.6% invested in domestic stocks, cash and fixed income; and 67.4% invested in international stocks and cash. The portfolio benchmark weights are 40% (domestic) and 60% (international) respectively.

Key portfolio holdings as a percentage of the Fund at 31 December 2022 were: BSP Financial Group (18.5%), the Vanguard International Equity fund (12.1%), CSL Limited (7.2%), Credit Corporation (5.4%), BlackRock iShares (5.1%) and Kina Securities Limited (5.0%). Cash holdings stood at 9.6% as the Company's manager, as Kina Funds Management (KFM), continued to maintain a cautious approach to the evaluation of new growth opportunities for the Company in the uncertain global economic conditions.

The Company's equity investments recorded mixed results against their benchmark indices. Domestic equities (16.4%) performed well above the benchmark KSI Home Index (6.8%); ASX-listed equities and global equity funds generated returns of -7.9% and -17.9% respectively, against their PGK-equivalent benchmark S&P/ASX200 Accumulation and MSCI World ex-Australia Index returns of -7.0% and -20.8%.

Net tangible asset backing per share as at 31 December 2022 was K1.49 (2021: K1.61, pre-dividend payment of K0.06 per share).

Domestic Investments

- The Company's large position in BSP Financial Group maintained its position as the largest contributor to the Company's return. Last year, the Company moved about two-thirds of its BSP shareholding to the ASX to improve overall portfolio liquidity. BSP's PNGX-listed shares rose 1.3% from K12.25 to K12.41 at 31 December 2022, and total returns were boosted by dividends of K1.68 per share (13.7%). The company's ASX-listed BSP shares rose 14.8% from AUD4.27 to AUD4.90 as at 31 December 2022, for a total return of 25.2%, inclusive of currency losses resulting from falls in the Australian dollar;

- The Company's ASX-listed KSL shares fell 9.4% from AUD0.86 to AUD0.78 as at 31 December 2022, with dividend earnings of AUD0.09 per share (13.3%) resulting in a total return of -1.7%, inclusive of currency losses;
- Credit Corporation shares rose 10.1% from K1.68 to K1.85 as at 31 December 2022, and total returns were boosted by dividend payments of K0.24 per share (14.0%).

International Investments

- Notwithstanding that the benchmark ASX200 Index fell in 2022, a number of the Company's Australian equity holdings performed strongly in 2022, despite currency losses of -6.6% associated with the fall in the Australian Dollar against the PNG Kina. The best performers (in PNG Kina adjusted terms) were Worley (+32.4%), A2 Milk (+18.2%), and Santos (+6.1).
- The worst performers were Sonic Healthcare (-39.7%), Mirvac (-31.4%), and ANZ Bank (-19.3%).
- The S&P500 Index suffered its worst performance since the global financial crisis, reporting a return of -19.4% in 2022. The poor conditions in US equity markets were reflected in the returns of the Company's international until trusts, with BlackRock iShares (-20.2%) performing a little better than its counterpart Vanguard (-21.0%).

Review and Outlook

In its half-year report, the Company noted that inflationary pressures and geo-political tensions weighed heavily on the outlook for the global economy and investment markets. Inflation outcomes in most advanced economies have been much higher, more persistent, and more broadly-based than expected, and equally matched by the size and pace of monetary policy tightening by central banks.

Towards the end of 2022, the US Federal Reserve and central banks in other parts of the world, began to reduce the size of interest rate rises. Whilst the tighter stance of monetary policy remains in place as measures of aggregate demand signal some relief in inflationary pressure, there is some optimism in investment markets that the "pivot" in policy – to a more expansionary stance - is approaching, and there was some recovery in global equity markets in the new year.

In PNG, there is little change to the outlook from that reported by the Company at the half-year. Rising global energy prices have improved government revenue from resource exports, providing some relief to the instability associated with the 2022 general election. The medium-term fiscal outlook presented by the Government late in the year projects deficits throughout the 2023-2027 projection period, with heavily reliance on external (foreign) financing measures. The outlook remains dependent on the commencement of long-awaited resource projects.

KAML's Investments

In PNG



In Australia





Financial Year ended 31 December 2022				
Kina Asset Management Limited and Subsidiary				
Company No	Half yearly	Final	Financial Period Ended	
1-61047		X	31-Dec-22	
Extracts from this report for announcement to the market (see note 1)				
Sales (or equivalent operating) revenue (item 1.1)				4,289,710
Abnormal after tax attributable to shareholders (item (2.5)				-
Operating profit (loss after tax (before amortisation of goodwill) attributable to shareholders (item 1.26)				(3,256,676)
Operating profit (loss) after tax attributable to shareholders (item 1.10)				(3,256,676)
Extraordinary items after tax attributable to shareholders item 1.13				-
Operating profit(loss) and extraordinary items after tax attributable to shareholders (item 1.16)				(3,256,676)
Dividend (distributions)		Amount per + security		
Final dividend (preliminary final report only -item 15.4)		n/a		n/a
Interim Dividend (Half yearly report only - item 15.6)		0.06		2,993,478
Previous corresponding period (Preliminary final report -item 15.5 Half yearly report - item 15.7)		n/a		n/a
		0.06		2,977,591
Record date for determining entitlements to the dividend (In the case of a trust, distribution) (see item 15.2)				NA

			Current Period K	Previous Corresponding Period K
1.1	Sales (or equivalent operating) revenue)		4,289,710	4,988,868
1.2	Share of associates "net profit(loss) attributable to shareholders" (equal to item 16.7)		-	-
1.3	Other revenue / (expense) - changes in fair value of financial assets including foreign currency movements		(6,108,882)	2,408,546
1.4	Operating profit (loss) before abnormal items and tax		(3,233,797)	6,054,185
1.5	Abnormal items before tax (detail in item 2.4)		-	-
1.6	Operating profit (loss) before tax (items 1.4 + 1.5)		(3,233,797)	6,054,185
1.7	Less tax		(22,879)	(82,017)
1.8	Operating profit (loss) after tax but before outside equity interest		(3,256,676)	5,972,168
1.9	Less outside equity Interest		-	-
1.10	Operating profit(loss) after tax attributable to shareholders		(3,256,676)	5,972,168
1.11	Extraordinary items after tax (detail in item 2.6)		-	-
1.12	Less outside Equity Interest		-	-
1.13	Extraordinary items after tax attributable to shareholders		-	-
1.14	Total Operating profit(loss) and extraordinary items after tax (items 1.8 + 1.11)		(3,256,676)	5,972,168
1.15	Operating profit (loss) and extraordinary items after tax attributable to outside equity interest (items 1.9 +1.12)		-	-
1.16	Operating profit (loss) and extraordinary items after tax attributable to shareholders (item 1.10+1.13)		(3,256,676)	5,972,168
1.17	Retained profits (accumulated losses) at beginning of financial period		29,848,149	28,830,673
1.18	If change in accounting policy (include brief description)			
1.19	Aggregate of amounts transferred from reserves			
1.20	Total available for appropriation (carried forward)		26,591,473	34,802,841
1.21	Dividend provided for or paid		(2,993,478)	(4,954,692)
1.22	Aggregate of amounts transferred to Reserves		-	-
1.23	Retained profits (accumulated losses) at end of financial period (Item 1.10 + 1.21)		23,597,995	29,848,149

	Profit restated to exclude amortisation of goodwill				
1.24	Operating profit(loss) after tax before outside equity interests (items 1.8) and amortisation of goodwill			(3,256,676)	5,972,168
1.25	Less(plus) outside equity interest			-	-
1.26	Operating profit(loss) after tax (before amortisation of goodwill) attributable to shareholders			(3,256,676)	5,972,168

Intangible, abnormal and extra ordinary items		Consolidated- current period			
		Before tax K	Related tax K	Related outside equity interest K	Amount (after tax)attributable to shareholders K
2.1	Amortisation of goodwill				
2.2	Amortisation of other intangibles	-	-	-	-
2.3	Total Amortisation of Intangibles	-	-	-	-
2.4	Abnormal items	-	-	-	-
2.5	Total abnormal items	-	-	-	-
2.6	Extraordinary items	-	-	-	-
2.7	Total extraordinary items	-	-	-	-
Comparison of half year profits				Current year - K' 000	Previous year K' 000
3.1	Consolidated operating profit(loss) after tax attributable to shareholders reported for the 1st half year (item 1.10 in the half yearly report)			(4,742,927)	7,342,325
3.2	Consolidated operating profit(loss) after tax attributable to shareholders for the second half year			1,486,251	(1,370,157)

		At end of current period K	As shown in last annual report K	As shown in last half yearly report K
	Current Assets			
4.1	Cash	7,105,099	5,828,494	8,343,537
4.2	Receivables	648,147	646,973	1,078,768
4.3	Investments	65,235,006	71,866,067	64,591,650
4.4	Inventories	-	-	-
4.5	Other(provide details if material)	-	-	-
4.6	Total Current assets	72,988,252	78,341,534	74,013,955
	Non Current Assets			
4.7	Deferred Tax Asset	67,995	35,180	104,166
4.8	Investment in associates			-
4.9	Investments	1,377,300	1,859,133	1,870,238
4.10	Inventories	-	-	-
4.11	Exploration and evaluation expenditure capitalised	-	-	-
4.12	Development properties (mining entities)	-	-	-
4.13	Other property, plant and equipment (net)	-	-	-
4.14	Intangibles (net)	-	-	-
4.15	Other (provide details if material)	-	-	-
4.16	Total Non current Assets	1,445,295	1,894,313	1,974,404
4.17	Total Assets	74,433,547	80,235,847	75,988,359
	Current Liabilities			
4.18	Accounts payables	197,047	147,630	654,881
4.19	Borrowings	-	-	-
4.20	Current Tax Liability	-	-	-
4.21	Other (dividend payable)	-	-	-
4.22	Total current liabilities	197,047	147,630	654,881

Consolidated Balance Sheet (continued)]				
	Non Current Liabilities			
4.23	Deferred Tax Liabilities	20,756	11,812	-
4.24	Borrowings	-	-	-
4.25	Provisions	-	-	-
4.26	Other (provide details if material)			
4.27	Total non- current liabilities	20,756	11,812	-
4.28	Total Liabilities	217,803	159,442	654,881
4.29	Net Assets	74,215,744	80,076,405	75,333,478
		At end of current period K	As shown in last annual report K	As in last half yearly report K
	Equity			
4.30	Capital	50,617,749	50,228,256	50,228,256
4.31	Reserves	-	-	-
4.32	Retained Profits (accumulated losses)	23,597,995	29,848,149	25,105,222
4.33	Equity attributable to shareholders of the parent entity	74,215,744	80,076,405	75,333,478
4.34	Outside equity to shareholders of the parent entity	-	-	-
4.35	Total equity	74,215,744	80,076,405	75,333,478
4.36	Preference Capital included as part of 4.33	-	-	-

Exploration and evaluation expenditure capitalised				
<i>To be completed only by entities with mining interest if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit</i>				
			Current Period K	Previous Corresponding period K
5.10	Opening Balance		-	-
5.2	Expenditure incurred during current period		-	-
5.3	Expenditure written off during current period		-	-
5.4	Acquisition, disposals, revaluation, increments, etc		-	-
5.5	Expenditure transferred to development properties		-	-
5.6	Closing balance as shown in the consolidated balance sheet (item 4.11)		-	-
Development properties				
<i>To be completed only by entities with mining interest if amounts are material</i>				
			Current Period K	Previous Corresponding period K
6.1	Opening Balance		n/a	n/a
6.2	Expenditure incurred during current period		n/a	n/a
6.3	Expenditure transferred from exploration and evaluation		n/a	n/a
6.4	Expenditure written off during current period		n/a	n/a
6.5	Acquisition, disposals, revaluation, increments, etc		n/a	n/a
6.6	Expenditure transferred to mine properties		n/a	n/a
6.7	Closing balance as shown in the consolidated balance sheet (item 4.12)		n/a	n/a

		Current Period K	Previous Corresponding period K
Consolidated Statement of Cash Flows			
Cash Flows related to operating activities			
7.1	Receipts from customers	4,828,452	4,581,246
7.2	Payments to suppliers and employees	(1,425,258)	(1,418,064)
7.3	Dividends received from associates	-	-
7.4	Other Dividends received	-	-
7.5	Payment for purchases of equity investments	(5,819,517)	(14,995,989)
7.6	Proceeds from sale of equity investments	5,931,418	14,435,425
7.7	Interest and other items of similar nature received	-	-
7.8	Interest and other finance paid	-	-
7.9	Income taxes paid	-	-
7.10	Proceeds on GIS	500,000	-
7.11	Net Operating cash flows	4,015,095	2,602,618
Cash flows related to investing activities			
7.12	Payment of purchase of property, plant and equipment	-	-
7.13	Proceeds from sale of property, plant and equipment	-	-
7.14	Loans to other entities	-	-
7.15	Loans repaid by other entities	-	-
7.16	Other (investment in shares)	-	-
7.17	Net Investing cash flows	-	-
Cash flows related to financing activities			
7.18	Proceeds from issues of securities (shares, options, etc)	-	-
7.19	Proceeds from borrowings	-	-
7.20	Repayment of borrowings	-	-
7.21	Dividend paid (net of reinvestment of K389,493)	(2,603,985)	(4,085,194)
7.22	Other (provide details if material)		
7.23	Net financing cash flows	(2,603,985)	(4,085,194)
7.24	Net Increase (decrease) in cash held	1,411,110	(1,482,576)
7.25	Cash at beginning of period (see reconciliation of cash)	5,828,494	7,575,720
7.26	Exchange rate adjustment to item 7.25 Adjustment to be	-	-
7.27	Effect of foreign exchange rate changes	(134,505)	(264,650)
7.28	Cash at end of period(see reconciliation of cash)	7,105,099	5,828,494
Non-cash financing and investing activities			
<i>Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows. If an amount is qualified, show comparative amount.</i>			
	n/a		
Reconciliation of cash			
Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current Period K	Previous Corresponding period K
8.1	Cash on hand and at Bank	7,105,099	5,828,494
8.2	Deposits at call	-	-
8.3	Bank Overdraft	-	-
8.4	Other (provide details)	-	-
8.5	Total cash at end of period(items 7.27)	7,105,099	5,828,494

	Ratios			
	Profit before abnormal and tax sales			
9.1	Consolidated operating profit (loss) before abnormal items and tax (item 1.4) as a percentage of sales revenue(item 1.1)	(75.38%)	121.35%	
9.2	Consolidated operating profit (loss) after tax attributable to shareholders (item 1.10) as a percentage of equity (similarly attributable) at the end of period(item 4.33)	(4.39%)	7.46%	
	Earnings per share (EPS)	Current Period K	Previous Corresponding period K	
10.1	Calculation of the following in accordance with IAS 33: <i>Earnings per share</i>			
	(a) Basic EPS	(0.07)	0.12	
	(b) Diluted EPS (if material differently from (a))	n/a	n/a	
	(c) Weighted average number of ordinary shares (K'000) outstanding during the period used in the calculated of the basic EPS	49,938,417	49,628,688	
	NTA backing (see note 7)			
11.1	Net tangible asset backing per ordinary security	1.49	1.61	
	Details of specific receipts/outlays,revenues/expenses			
		Current Period K	Previous Corresponding period K	
12.1	Interest revenue included in determining item 1.4	305,914	241,193	
12.2	Interest revenue included in item 12.1 but not yet received (if material)	21,246	30,683	
12.3	Interest expense included in item 1.4(include all forms of interest,lease finance charges, etc)	-	-	
12.4	Interest costs excluded from item 12.3 and capitalised in asset values (if material)	-	-	
12.5	Outlays(except those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	-	
12.6	Depreciation and amortisation (excluding amortisation of intangibles)	-	-	

	Control gained over entities having material effect			
13.1	Name of entity			n/a
13.2	Consolidated operating profit(loss) and extraordinary items after tax of the entity since the date in the current period on which control was acquired			n/a
13.3	Date from which such profit was calculated			n/a
13.4	Operating profit(loss) and extraordinary items after tax of the entity for the whole of the corresponding period			n/a
	Loss of control of entities having material effect			
14.1	Name of Entity (or group of entity			n/a
14.2	Consolidated operating profit(loss) and extraordinary items after tax of the entity(or group of entities) for the current period to the date of loss of control			n/a
14.3	Date to which the profit(loss) in item 14.2 has been calculated			
14.4	Consolidated operating profit(loss) and extraordinary items after tax of the entity(or group of entities) while controlled during the whole of the previous corresponding period			n/a
14.5	contribution to consolidated operating profit(loss) and extraordinary items from sale of interest leading to loss of control			n/a

Reports for industry and geographical segments			
Segments			
Operating Revenue			
Sales to customers outside the economic entity	4,289,710	n/a	
Inter-segment sales	-	n/a	
Unallocated revenue	-	n/a	
Total Revenue	4,289,710	n/a	
Segment result (including abnormal items where relevant)	(3,233,797)	n/a	
Unallocated expenses	-	n/a	
Consolidated operating loss before tax (equal to item 1.6)	(3,233,797)	n/a	
Segment assets			
Segment assets	74,433,547	n/a	
Unallocated assets	-	n/a	
Total assets (equal to item 4.17)	74,433,547	n/a	
Dividends (in the case of a trust, distribution)			
15.1 Date the dividend(distribution) was paid			
2021 final dividend payment date		10/21/2021	
2022 Interim dividend payment date		10/28/2022	
15.2 Record date to determine entitlements to the dividends (distribution) (ie, on the basis of registrable transfers received up to 5.00 pm)		9/19/2022	
2022 Interim dividend record date		9/19/2022	
15.3 If it is a final dividend, has it been declared? preliminary report only - Special dividend		n/a	
Amount per security			
(Preliminary final report)	Amount per security		
15.4 Final Dividend: Current year:	n/a	n/a	
15.5 Previous year:	n/a	n/a	
Half yearly and preliminary final reports			
15.6 Interim Dividend: Current year	0.06	2,993,478	
15.7 Previous year	0.06	2,977,591	

Total dividend (distribution) per security (interim plus final) <i>(preliminary final report only)</i>			
		Current year	Previous year
15.8	Ordinary securities	0.06	0.06
15.9	Preference securities	-	-
Half yearly report- interim dividend(distribution) on all securities or Preliminary final report- final dividend(distribution) on all securities			
		Current year K	Previous year K
15.10	Ordinary Securities	2,993,478	2,977,591
15.11	Preference securities	n/a	n/a
15.12	Total	2,993,478	2,977,591
The dividend or distribution plans shown below are in operation			
n/a			
The last date(s) for receipt of election notices for the dividend or distribution plans		n/a	
Any other disclosures in relation to dividends (distributions)			
Details of aggregate share of profits (losses) of associates			
	Entity share of associates	Current period K	Previous corresponding period K
16.1	Operating profit(loss) before income tax	-	-
16.2	Income tax expense	-	-
16.3	Operating profit(loss) after income tax	-	-
16.4	Extraordinary items net of tax	-	-
16.5	Net profit(loss)	-	-
16.6	Outside equity interest	-	-
16.7	Net profit(loss) attributable to shareholders	-	-

Material interest in entities which are not controlled entities					

Comments by directors				
Comments on the following matters are required by POMSoX or, in relation to the yearly report, by IAS 34 Financial year accounts and consolidated Accounts. The comments do not take the place of the directors report (as required by the companies Act 1997) and may be incorporated into the directors report. For both half yearly and preliminary final reports, if there are no comments in a section state Nil. If there is insufficient space to comment attach notes to this report.				
Basis of accounts preparation				
If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and IAS 34. Half-year accounts and consolidated accounts. It should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period.(delete if preliminary statement)				
Material factors affecting the revenues and expenses of the economic entity for the current period				
The change in fair value of financial assets reflects underlying changes in equity prices and foreign currency movements during the period. There have been no other material factors affecting the revenues and expenses of the economic entity for the current period.				
A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)				
No significant events				
Changes in accounting policies since the last annual report are disclosed as follows				
(Disclose changes in the yearly report in accordance with IAS 34. Financial year accounts and consolidated accounts. Disclose changes in the preliminary final report in accordance with IAS 8: Accounting Policies Disclosure)				
No changes in accounting policies				
Additional disclosure for trust				
19.1	Number of units held by the management company or a related party of it	n/a		
19.2	A statement of the fees and commissions payable to the management company			
	initial service charges	n/a		
	Management fees	n/a		
	other fees	n/a		
Annual meeting				
(preliminary final report only)				
The annual meeting will be held as follows:				
	Place	Port Moresby		
		(the final venue to be confirm at a later date)		
	Date	n/a		
	Time			
	Approximate date the annual report will be available	n/a		

1 This report has been prepared under accounting policies which comply with accounting standards approved by the Accounting Standards Board pursuant to the Companies Act 1997 or other Standards acceptable to POMX (see note 13)			
Identify other standards used		International Financial Reporting Standards	
2 Report the financial statements prepared under the Companies Act 1997 (if separate), use accounting policies.			
3 This report does give a true and fair view of the matters disclosed (see note 2)			
4 This report is based on financial statements to which one of the following applies.			
☒	The financial statements have been audited	☐	The financial statements have been subject to review
☐	The financial statements are in the process of being audited or subject to review	☐	The financial statements have not yet been audited or reviewed
5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/ will follow immediately they are available (delete one)			
6 The entity has a formally constituted audit committee.			
Sign here..... Director		Date.....2 March 2023.....	
Print name.....Sydney Yates.....			