# Kina Asset Management Limited
# Annual report for the financial year ended 31 December 2024

**Kina Asset Management Limited**

**Annual report**
**For the financial year ended 31 December 2024**

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**Kina Asset Management Limited**

## Directors' Report

**For the financial year ended 31 December 2024**

The directors of Kina Asset Management Limited (the Company) submit herewith the annual financial report of the Company and the Group including the financial statements for the financial year ended 31 December 2024. In order to comply with the provisions of the Companies Act 1997, the directors report as follows:

The names, particulars and other office holdings of the directors and office holders of the Company as at the end of the financial year are:

### Directors

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

### Company Secretary

The Company secretary is Sydney George Yates.

### Review of operations

During the financial year, the Holding Company reported a net profit of K10,361,433 (2023: K6,091,662) after income tax benefit of K7,521 (2023: Income Tax expense K74,516) while the Group reported a net profit of K16,560,257 (2023: K12,748,746) after income tax expense of K128,894 (2023: income tax expense K55,084).

### Changes in state of affairs

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

### Change in accounting policies

No change in accounting policies occurred during the financial year.

### Dividends

A total dividend of K10,138,797 (2023: K6,019,198) was declared and paid as disclosed in note 19.

## Directors' remuneration

Remuneration paid to the directors is disclosed in note 16 to the financial statements. The total remuneration paid to all directors during the financial year was K205,604 (2023: K196,461) and consisted of fixed directors' fees.

## Remuneration above K100,000 per annum

Nil.

## Donations

No donations were made during the current financial year by the Company and the Group (2023: Nil).

## Independent audit report

The financial statements have been audited by Deloitte Touche Tohmatsu and should be read in conjunction with the independent audit report on pages 4 - 7. Details of auditor remuneration is disclosed in note 18 to the financial statements.

## Subsequent events

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

Signed in accordance with a resolution of the directors.

On behalf of the Directors

**Sydney George Yates**, **OBE**
Director
Port Moresby,

10 March 2025

**Dame Monica Salter, DBE**
Director
Port Moresby,

10 March 2025

**Kina Asset Management Limited**

**Directors' Declaration**
**For the financial year ended 31 December 2024**

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Companies Act 1997, including compliance with generally accepted accounting practice in Papua New Guinea and giving a true and fair view of the financial position and performance of the Company and the Group.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



**Sydney George Yates, OBE**
Director
Port Moresby

10 March 2025



Dame Monica Salter, DBE

Director
Port Moresby,

10 March 2025

Deloitte Touche Tohmatsu

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# Independent Auditor's Report to the Shareholders of Kina Asset Management Limited

## Report on the Audit of the Financial Statements

*Opinion*

We have audited the accompanying financial statements of Kina Asset Management Limited (the "Company") and its subsidiary (the "Group") which comprise the Group and the Company's statements of financial position as at 31 December 2024, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements of the Group and the Company, give a true and fair view of the Group's and Company's financial position as at 31 December 2024 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 1997 (*amended 2022*).

*Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants *(including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Papua New Guinea, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group for the current period. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | How the scope of our audit responded to the Key Audit Matter |
|---|---|
| **Non-Cash Financial Assets held at Fair Value through Profit or Loss (FVTPL)**<br><br>Our audit focused on the valuation of non-cash financial assets held at FVTPL due to the factors affecting the valuation and their significance to the Group's financial statements. The valuation of these assets is affected by various factors including observable market prices and liquidity of these investments. These assets account for approximately 90% of the Group's total | Our audit procedures included, but were not limited to:<br><br>• Obtaining an understanding of the business process in relation to management, transaction recording and reporting of non-cash financial assets.<br>• Testing the design and implementation of related controls over such business process.<br>• Assessing the liquidity of the financial assets held at FVTPL through analysis of historical market data, to ensure that the market prices used in valuation reasonably approximate fair value. |

| Key Audit Matter | How the scope of our audit responded to the Key Audit Matter |
|---|---|
| assets and serve as the primary source of its income.<br><br>The Group's non-cash financial assets held at FVTPL are equity instruments listed both on domestic and international securities exchanges. | • Testing the fair values of individual financial assets, by comparison of pricing to observable market sources for listed securities investments. |

*Other Information*

The directors are responsible for the other information. The other information comprises the Directors' Report, and Directors' Declaration which we obtained prior to the date of this auditor's report, and also includes the following information which will be included in the Group's annual report (but does not include the financial statements and our auditor's report thereon): Performance Highlights, Acting Chairman's Report, Board of Directors, Corporate Governance, Shareholder Information and Corporate Directory, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

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

When we read the Performance Highlights, Acting Chairman's Report, Board of Directors, Corporate Governance, Shareholder Information and Corporate Directory, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

*Responsibilities of the Directors for the Financial Statements*

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the Companies Act 1997 (amended 2022) and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Deloitte.

## Report on Other Legal and Regulatory Requirements

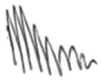
In accordance with section 200 of the Companies Act 1997 *(amended 2022),* in our opinion:

- We obtained all information and explanations that were required; and
- Proper accounting records have been kept by the Group for the year ended 31 December 2024.

We have no interest in the Company and the Group or any other relationship, other than that of the auditor of the Company and the Group.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



**Herbert Maguma**
Partner
Registered under the Accountants Act, 1996

**Port Moresby, 10 March 2025**

## Kina Asset Management Limited

**Statements of Comprehensive Income**
**For the financial year ended 31 December 2024**

| | Note | Consolidated 2024 | Consolidated 2023 | Company 2024 | Company 2023 |
|---|---|---|---|---|---|
| Revenue | 3(a) | 6,706,330 | 5,671,033 | 11,429,493 | 6,900,349 |
| Changes in fair value of financial assets | 8 | 11,817,346 | 8,177,418 | - | - |
| Exchange gain / (loss) on cash and cash equivalents | 12 | (127,770) | 232,394 | 4,207 | (553) |
| **Total income** | | **18,395,906** | **14,080,845** | **11,433,700** | **6,899,796** |
| Directors' fees | 16 | (205,604) | (196,461) | (205,604) | (196,461) |
| Insurance | | (59,130) | (52,323) | (59,130) | (52,323) |
| Management fees | 17 | (596,865) | (511,445) | - | - |
| Share registry fees | | (133,970) | (79,360) | (133,970) | (79,360) |
| Other operating expenses | 3(b) | (711,186) | (437,426) | (681,084) | (405,474) |
| **Total expenses** | | **(1,706,755)** | **(1,277,015)** | **(1,079,788)** | **(733,618)** |
| Profit before tax | | 16,689,151 | 12,803,830 | 10,353,912 | 6,166,178 |
| Income tax benefit/(expense) | 6(a) | (128,894) | (55,084) | 7,521 | (74,516) |
| **Net Profit for the year** | | **16,560,257** | **12,748,746** | **10,361,433** | **6,091,662** |
| Other comprehensive income | | - | - | - | - |
| **Total comprehensive income for the year** | | **16,560,257** | **12,748,746** | **10,361,433** | **6,091,662** |

| | | | |
|---|---|---|---|
| **Earnings per share** | | | |
| Basic (toea per share) | 9 | 0.33 | 0.25 |
| Diluted (toea per share) | 9 | 0.32 | 0.25 |

Notes to the financial statements are included on pages 12 to 30.

## Kina Asset Management Limited

**Statements of Financial Position**
**As at 31 December 2024**

| | Note | Consolidated 2024 | Consolidated 2023 | Company 2024 | Company 2023 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and cash equivalents | 12 | 6,895,916 | 5,987,685 | 104,364 | 72,816 |
| Current tax receivables | | 437,707 | 424,308 | 110,490 | 121,842 |
| Other assets | 4 | 357,348 | 274,999 | 349,095 | 333,251 |
| Financial assets | | | | | |
| Equities at fair value through profit or loss | 8 | 81,199,062 | 74,205,565 | - | - |
| Government stock at amortized cost | 8 | 1,411,637 | 1,393,361 | - | - |
| Investment in subsidiary company | 11 | - | - | 1 | 1 |
| Due from related parties | 17 | - | - | 53,312,300 | 51,630,433 |
| Deferred tax assets | 6(b) | - | 87,429 | - | - |
| **Total assets** | | **90,301,670** | **82,373,347** | **53,876,250** | **52,158,343** |
| **Liabilities** | | | | | |
| Other payables | 7 | 445,914 | 486,643 | 345,112 | 394,623 |
| Deferred tax liabilities | 6(b) | 71,040 | 87,103 | 68,230 | 87,103 |
| **Total liabilities** | | **516,954** | **573,746** | **413,342** | **481,726** |
| **Net assets** | | **89,784,716** | **81,799,601** | **53,462,908** | **51,676,617** |
| **Equity** | | | | | |
| Fully paid ordinary shares | 5 | 53,035,713 | 51,472,058 | 53,035,713 | 51,472,058 |
| Accumulated gain | | 36,749,003 | 30,327,543 | 427,195 | 204,559 |
| **Total equity** | | **89,784,716** | **81,799,601** | **53,462,908** | **51,676,617** |

Notes to the financial statements are included on pages 12 to 30.

## Kina Asset Management Limited

**Statements of Changes in Equity**
**For the financial year ended 31 December 2024**

| | Fully paid ordinary shares<br>K | Accumulated gain<br>K | Total<br>K |
|---|---|---|---|
| **Consolidated** | | | |
| Balance at 1 January 2023 | 50,617,749 | 23,597,995 | 74,215,744 |
| **Transactions with owners** | | | |
| Issued shares (note 5) | 854,309 | - | 854,309 |
| Dividend | - | (6,019,198) | (6,019,198) |
| **Profit for the year** | | | |
| Profit for the year | - | 12,748,746 | 12,748,746 |
| **Balance at 31 December 2023** | **51,472,058** | **30,327,543** | **81,799,601** |
| Balance at 1 January 2024 | 51,472,058 | 30,327,543 | 81,799,601 |
| **Transactions with owners** | | | |
| Issued shares (note 5) | 1,563,655 | - | 1,563,655 |
| Dividend | - | (10,138,797) | (10,138,797) |
| **Profit for the year** | | | |
| Profit for the year | - | 16,560,257 | 16,560,257 |
| **Balance at 31 December 2024** | **53,035,713** | **36,749,003** | **89,784,716** |
| **Company** | | | |
| Balance at 1 January 2023 | 50,617,749 | 132,095 | 50,749,844 |
| **Transactions with owners** | | | |
| Issued shares (note 5) | 854,309 | - | 854,309 |
| Dividend | - | (6,019,198) | (6,019,198) |
| **Profit for the year** | | | |
| Profit for the year | - | 6,091,662 | 6,091,662 |
| **Balance at 31 December 2023** | **51,472,058** | **204,559** | **51,676,617** |
| Balance at 1 January 2024 | 51,472,058 | 204,559 | 51,676,617 |
| **Transactions with owners** | | | |
| Issued shares (note 5) | 1,563,655 | - | 1,563,655 |
| Dividend | - | (10,138,797) | (10,138,797) |
| **Profit for the year** | | | |
| Profit for the year | - | 10,361,433 | 10,361,433 |
| **Balance at 31 December 2024** | **53,035,713** | **427,195** | **53,462,908** |

Notes to the financial statements are included on pages 12 to 30.

## Kina Asset Management Limited

**Statements of Cash Flows**
**For the financial year ended 31 December 2024**

| | Notes | Consolidated 2024 K | Consolidated 2023 K | Company 2024 K | Company 2023 K |
|---|---|---|---|---|---|
| **Cash flows from operating Activities** | | | | | |
| Dividend, interest and other income receipts | | 6,834,100 | 5,438,639 | - | - |
| Purchase of shares | | (2,506,972) | (5,266,308) | - | - |
| Proceeds on sale of shares | | 8,968,810 | 4,845,539 | - | - |
| Payments to suppliers | | (3,684,795) | (1,160,062) | (1,144,589) | (489,175) |
| Tax paid | | - | (42,727) | - | (42,727) |
| **Net cash from / (used in) operating activities** | | **9,611,143** | **3,815,081** | **(1,144,589)** | **(531,902)** |
| **Cash flows from investing activities** | | | | | |
| Dividends received | | - | - | 10,138,797 | 6,019,198 |
| **Net cash from investing activities** | | **-** | **-** | **10,138,797** | **6,019,198** |
| **Cash flows from financing activities** | | | | | |
| Dividend paid | | (8,575,142) | (5,164,889) | (8,575,142) | (5,164,889) |
| Amounts paid to related parties | | - | - | (391,725) | (280,747) |
| **Net cash used in financing activities** | | **(8,575,142)** | **(5,164,889)** | **(8,966,867)** | **(5,445,636)** |
| **Net increase / (decrease) in cash and cash equivalents** | | **1,036,001** | **(1,349,808)** | **27,341** | **41,660** |
| Cash and cash equivalents at the beginning of the financial year | | 5,987,685 | 7,105,099 | 72,816 | 31,709 |
| Effect of foreign exchange rate changes | | (127,770) | 232,394 | 4,207 | (553) |
| **Cash and cash equivalents at the end of the financial year** | 12 | **6,895,916** | **5,987,685** | **104,364** | **72,816** |

Notes to the financial statements are included on pages 12 to 33.

# Kina Asset Management Limited
# Notes to the financial statements
# For the financial year ended 31 December 2024

## 1. General information

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

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

## 2. Material accounting policies

Statement of compliance

The financial statements of the Company and the Group have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) and the requirements of the Papua New Guinea Companies Act 1997 (amended 2022).

Application of new and amended International Financial Reporting Standards

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

### a) New and amended standards, and interpretations mandatory for the first time as at 31 December 2024

- Amendments to IAS 7 Statement of cash flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants
- Amendment to IFRS 16 Leases – Lease Liability on sale and leaseback

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

### b) New standards, amendments and interpretations issued but not effective as at 31 December 2024 and not early adopted

- Amendments to IAS 21 Lack of Exchangeability
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Annual Improvements IFRS Accounting Standards - Volume 11
- Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7
- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company or the Group in the future periods.

**2. Material accounting policies (continued)**

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. These policies have been consistently applied to all periods presented. There were no changes in material accounting policies in the current financial year. The policies also apply to the Company, except as stated otherwise.

(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.

(b) Cash and cash equivalents

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

(c) Financial assets

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

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' and 'at 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; or

(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;

**2. Material accounting policies (continued)**

(c) Financial assets (continued)

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

Financial assets classified as 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 at amortised cost, an expected credit loss model is applied. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is not necessary for a credit event to have occurred before credit losses are recognised. The Group recognises loss allowances for expected credit losses on Debt investments measured subsequently at amortised cost and on other receivables.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL.

Financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost

These financial liabilities, 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 in profit or loss.

**2. Material accounting policies (continued)**

(d) Foreign currency

The individual financial statements of the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the functional currency is Papua New Guinea Kina ("PNG Kina"). Foreign exchange movements for assets held at fair value through profit or loss are included as part of the changes in fair value of financial assets and are further detailed in note 8.

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

(e) Income tax

Current tax

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

Withholding taxes deducted at source in relation to interest income, which are recoverable against taxes to be paid by the company, are presented as other receivables in the statement of financial position. This will be set-off against the income tax payable when the actual settlement of such liability occurs. Withholding taxes deducted on distributions are recognised as payables to the tax authority and are settled in cash.

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

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

**2. Material accounting policies (continued)**

(e) Income tax (continued)

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

(f) Revenue recognition

Changes in fair value of financial investments which are measured at fair value through profit or loss, are recognised as income in the statement of comprehensive income in the period in which they occur.

Gain or loss on sale of securities that are measured at fair value through profit or loss, is determined as the difference between consideration received or receivable and the asset's carrying value.

Management fees are charged for management services provided by the holding company to the subsidiary and are based on expenses incurred by the holding company in managing the affairs of the subsidiary, and are charged through an intercompany account. These services are provided on a monthly basis and the performance obligation is satisfied over time. Fee charges are raised monthly and revenue recognized on this basis.

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

Interest income for financial assets measured at amortised cost is recognized in the statement of profit or loss using effective interest method. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability, to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument. The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance).

(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.

**2. Material accounting policies (continued)**

(h) 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. (a) Revenue** | **Consolidated** | | **Company** | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | **K** | **K** | **K** | **K** |
| Interest income | 337,717 | 407,588 | - | - |
| Dividend income | 4,730,625 | 4,891,073 | 10,138,797 | 6,019,198 |
| Gain on sale of investment Securities | 1,637,988 | 372,372 | - | - |
| Management fees charged to subsidiary | - | - | 1,290,696 | 881,151 |
| | **6,706,330** | **5,671,033** | **11,429,493** | **6,900,349** |

| **(b) Other operating expenses** | **Consolidated** | | **Company** | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | **K** | **K** | **K** | **K** |
| Professional fees | 436,299 | 207,392 | 406.599 | 177,692 |
| Audit fees | 69,300 | 62,700 | 69,300 | 62,700 |
| Listing fees | 64,819 | 42,579 | 64,819 | 42,579 |
| Administration fees | 140,768 | 124,755 | 140,366 | 122,503 |
| | **711,186** | **437,426** | **681,084** | **405,474** |

## 4. Other assets

| | Consolidated | | Company | |
|---|---|---|---|---|
| | 2024 K | 2023 K | 2024 K | 2023 K |
| Dividend receivable | 255,594 | 203,560 | - | - |
| Withholding taxes recoverable | - | 30,733 | - | - |
| Prepaid insurance | 23,051 | 20,044 | 23,051 | 20,044 |
| Other receivables | 78,703 | 20,662 | 326,044 | 313,207 |
| | **357,348** | **274,999** | **349,095** | **333,251** |

## 5. Share capital

| | Consolidated | | Company | |
|---|---|---|---|---|
| | Number of Shares | Cost | Number of shares | Cost |
| Fully paid ordinary shares: **2023** | | | | |
| Beginning | 50,159,984 | 50,617,749 | 50,159,984 | 50,617,749 |
| Issued shares: | 534,002 | 854,309 | 534,002 | 854,309 |
| Ending | 50,693,986 | 51,472,058 | 50,693,986 | 51,472,058 |

| | Consolidated | | Company | |
|---|---|---|---|---|
| | Number of Shares | Cost | Number of shares | Cost |
| Fully paid ordinary shares: **2024** | | | | |
| Beginning | 50,693,986 | 51,472,058 | 50,693,986 | 51,472,058 |
| Issued shares: | 781,957 | 1,563,655 | 781,957 | 1,563,65 |
| Ending | 51,475,943 | 53,035,713 | 51,475,943 | 53,035,713 |

Fully paid ordinary shares carry one vote per share and the right to dividends. Shares issued under the dividend reinvestment plan have a share price of K2.00 for the shares issued on 24 October 2024 based on net tangible asset backing per share.

## 6. Income taxes

Income tax recognised in profit or loss

(a) Tax expense comprises:

| | Consolidated | | Company | |
|---|---|---|---|---|
| | 2024 K | 2023 K | 2024 K | 2023 K |
| Current tax expense | 97,863 | 8,169 | 82,418 | 8,169 |
| Deferred tax movement | 11,288 | 1,534 | (17,883) | 35,925 |
| Un-claimable withholding taxes | 30,732 | - | - | - |
| Income tax – provision adjustments | (71,066) | - | (71,066) | - |
| Deferred tax - provision adjustments | 60,077 | 45,381 | (990) | 30,422 |
| Total tax expense | 128,894 | 55,084 | (7,521) | 74,516 |

## 6. Income taxes (continued)

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

| | Consolidated | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | K | K | K | K |
| Profit / (Loss) before tax | 16,689,151 | 12,803,830 | 10,353,912 | 6,166,178 |
| Income tax expense calculated at 30% | 5,006,745 | 3,841,149 | 3,106,174 | 1,849,853 |
| Income tax – provision adjustments | (71,066) | - | (71,066) | - |
| Deferred tax - provision adjustments | 60,077 | 45,381 | (990) | 30,422 |
| Un-claimable withholding taxes | 30,732 | - | - | - |
| Tax effect of non-assessable income* | (4,897,595) | (3,831,446) | (3,041,639) | (1,805,759) |
| Income tax expense | 128,894 | 55,084 | (7,521) | 74,516 |

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

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Papua New Guinean corporate entities on taxable profits under the Papua New Guinea tax law.

c) Deferred tax balances

| | Consolidated | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | K | K | K | K |
| **Deferred tax assets movement:** | | | | |
| Beginning | 106,489 | 118,872 | 12,872 | 44,502 |
| Movement for the year | (5,402) | (12,383) | 8,159 | (31,630) |
| At end of year | 101,087 | 106,489 | 21,031 | 12,872 |
| **Deferred tax assets comprise:** | | | | |
| Accrued liabilities | 101,087 | 106,489 | 21,031 | 12,872 |
| | 101,087 | 106,489 | 21,031 | 12,872 |
| **Deferred tax liabilities movement:** | | | | |
| Beginning | 106,163 | 71,633 | 99,975 | 65,258 |
| Movement for the year | 65,964 | 34,530 | (10,714) | 34,717 |
| At end of year | 172,127 | 106,163 | 89,261 | 99,975 |

## 6. Income taxes (continued)

c) Deferred tax balances (continued)

| | Consolidated | | Company | |
|---|---|---|---|---|
| | 2024 K | 2023 K | 2024 K | 2023 K |
| **Deferred tax liabilities comprise:** | | | | |
| Prepaid insurance | 6,915 | - | 6,915 | 5,500 |
| Accounts receivable | 163,267 | 106,16 | 80,401 | 99,975 |
| Unrealised gain/loss | 1,945 | - | 1,945 | - |
| | 172,127 | 106,16 | 89,261 | 105,47 |
| Net deferred tax asset /(liabilities) | (71,040) | 326 | (68,230) | (87,103) |
| **Presented as:** | | | | |
| Net deferred tax asset | - | 87,429 | - | - |
| Net deferred tax liability | (71,040) | (87,103) | (68,230) | (87,103) |
| | (71,040) | 326 | (68,230) | (87,103) |

## 7. Other payables

| | Consolidated | | Company | |
|---|---|---|---|---|
| | 2024 K | 2023 K | 2024 K | 2023 K |
| Accrued expenses | 274,776 | 311,133 | 223,337 | 260,887 |
| Accounts payable | 171,138 | 90,310 | 121,775 | 48,536 |
| Dividend withholding taxes payable | - | 85,200 | - | 85,200 |
| | 445,914 | 486,643 | 345,112 | 394,623 |

## 8. Financial assets

| | Consolidated | | Company | |
|---|---|---|---|---|
| | 2024 K | 2023 K | 2024 K | 2023 K |
| Financial assets carried at fair value through profit or loss: | | | | |
| Listed securities | 81,199,062 | 74,205,565 | - | - |
| **Movements:** | | | | |
| Balance at the beginning | 74,205,565 | 65,235,006 | | |
| Purchases | 2,506,972 | 5,266,308 | - | - |
| Disposals | (7,330,822) | (4,473,167) | - | - |
| Changes in fair value and Exchange gain/(loss)* | 11,817,346 | 8,177,418 | - | - |
| | 81,199,062 | 74,205,565 | - | - |

**8. Financial assets (continued)**

*Changes in fair value and exchange gain of K11,817,346 (2023: K8,177,418) comprises unrealised pricing gain of K13,458,099 (2023: K4,215,115) and foreign exchange loss of K1,640,753 (2023: foreign exchange gain of K3,962,303) on subsidiary's' equity holdings.

| | Consolidated | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Amortized cost: | K | K | K | K |
| Government Inscribed Stock | 1,411,637 | 1,393,361 | - | - |

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

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

| | 31-Dec-24 | | | 31-Dec-23 | | |
|---|---|---|---|---|---|---|
| Consolidated | Market price (K) | No. of units (Qty) | Market value (K) | Market price (K) | No. of units (Qty) | Market value (K) |
| BSP Financial Group Ltd-PNGX | 19.90 | 158,109 | 3,146,369 | 13.70 | 310,000 | 4,247,000 |
| BSP Financial Group Ltd -ASX | 16.58 | 591,891 | 9,813,279 | 13.80 | 591,891 | 8,169,211 |
| Credit Corporation (CCP) | 2.70 | 2,000,000 | 5,400,000 | 2.00 | 2,146,337 | 4,292,674 |
| Kina Securities Limited (KSL) | 2.84 | 2,507,128 | 7,115,076 | 2.04 | 2,507,128 | 5,107,467 |
| City Pharmacy (CPL) | 0.69 | 697,691 | 481,407 | 0.79 | 697,691 | 551,176 |
| Auckland International Airport Ltd | 19.32 | 80,000 | 1,545,432 | 20.70 | 80,000 | 1,656,226 |
| ANZ Bank Limited (ANZ) | 71.05 | 40,000 | 2,841,922 | 66.00 | 50,000 | 3,300,229 |
| BHP Group Ltd (BHP) | 98.46 | 22,360 | 2,201,489 | - | - | - |
| Westpac Bank Limited (WBC) | 80.46 | 50,000 | 4,022,903 | 58.31 | 56,535 | 3,296,795 |
| Mirvac Group (MGR) | 4.67 | 500,500 | 2,336,165 | 5.32 | 500,500 | 2,663,725 |
| Transurban Group (TCL) | 33.33 | 90,000 | 3,000,000 | 34.91 | 90,000 | 3,142,093 |
| CSL Limited (CSL) | 700.97 | 7,750 | 5,432,524 | 729.95 | 7,750 | 5,657,086 |
| Coles Group Ltd (COL) | 47.03 | 50,000 | 2,351,257 | 41.02 | 50,000 | 2,051,184 |
| Telstra Corporation Limited (TLS) | 9.98 | 350,000 | 3,493,901 | 10.08 | 400,000 | 4,033,613 |
| ResMed Inc (RMD) | 91.54 | 27,500 | 2,517,239 | 64.78 | 27,500 | 1,781,514 |
| Santos Limited-ASX | - | - | - | 19.35 | 117,119 | 2,266,627 |
| Sonic Healthcare (SHL) | 67.24 | 25,000 | 1,680,981 | 81.69 | 22,500 | 1,838,044 |
| Suncorp Group Limited (SUN) | 47.32 | 85,000 | 4,022,529 | 35.27 | 86,715 | 3,058,321 |
| A2 Milk Company Limited (A2M) | - | - | - | 10.85 | 100,000 | 1,084,798 |
| Vanguard International Shares | 9.61 | 1,443,513 | 13,866,644 | 7.79 | 1,443,513 | 11,243,748 |
| Blackrock Wholesale | 70.09 | 84,608 | 5,929,946 | 56.31 | 84,608 | 4,764,034 |
| | | | **81,199,062** | | | **74,205,565** |

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

## 8. Financial assets (continued)

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

| Serial Number | Settlement Date | Maturity Date | Coupon Rate | Face Value | 31 December 2024 Balance | 31 December 2023 Balance |
|---|---|---|---|---|---|---|
| S15052031 | 24/Oct/2014 | 15/May/2031 | 12.00% | 500,000 | 451,062 | 446,546 |
| S15052027 | 24/Oct/2014 | 15/May/2027 | 10.50% | 500,000 | 476,437 | 468,246 |
| S15052027 | 19/Dec/2014 | 15/May/2027 | 10.50% | 500,000 | 484,138 | 478,569 |
| | | | | **1,500,000** | **1,411,637** | **1,393,361** |

Government Inscribed Stocks are investments carried at amortised cost. These investments are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. The investments have maturity dates varying between 2027 to 2031. The application of IFRS 9 has not resulted in a material expected credit loss allowance, and therefore, no credit loss allowance has been recognized in the period. The fair value of investments in Government Inscribed Stocks as at year end is K 1,547,163.

## 9. Earnings per share

| | Consolidated 2024 Toea | 2023 Toea |
|---|---|---|
| **Basic and diluted earnings per share** | | |
| Total basic earnings per share | 0.33 | 0.25 |

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

| | Consolidated 2024 K | 2023 K |
|---|---|---|
| Net profit used in the calculation of basic and diluted EPS | 16,560,257 | 12,748,746 |
| | **No.** | **No.** |
| Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share | 50,824,312 | 50,248,984 |

## 10. Contingent liabilities and contingent assets

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

## 11. Parent and subsidiary

| Name of entity | Country of incorporation | Ownership interest 2024 % | Ownership interest 2023 % |
|---|---|---|---|
| **Parent entity** | | | |
| Kina Asset Management Limited | Papua New Guinea | | |
| **Subsidiary** | | | |
| Kina Asset Management No 1 Limited | Papua New Guinea | 100 | 100 |

## 12. Cash and cash equivalents

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

| | Consolidated 2024 K | Consolidated 2023 K | Company 2024 K | Company 2023 K |
|---|---|---|---|---|
| Cash and cash equivalents | 6,895,916 | 5,987,685 | 104,364 | 72,816 |
| | 6,895,916 | 5,987,685 | 104,364 | 72,816 |

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

| | Consolidated 2024 K | Consolidated 2023 K | Company 2024 K | Company 2023 K |
|---|---|---|---|---|
| Bank of Queensland (AUD) | (160,673) | 84,333 | - | - |
| Credit Suisse (AUD) | 32,903 | 148,061 | - | - |
| Gains / (losses) | (127,770) | 232,394 | - | - |

## 13. Financial instruments

(a) Financial risk management objectives

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

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

**13. Financial Instruments (continued)**

(b) Material accounting policies

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

(c) Foreign currency risk management

The Group holds a substantial proportion of its financial assets denominated in the Australian dollar. The exchange rates used for conversion are AUD/Kina 0.4017 (2023: AUD/Kina 0.3927). The Group does not hedge against foreign currency risk, but management regularly monitors the extent of such risk through sensitivity analysis. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| **2024** | **Assets AUD** | **Liabilities AUD** |
|---|---|---|
| Investments in listed securities | 28,991,206 | - |
| Balances with Banks | 2,335,838 | - |
| | 31,327,043 | - |

| **2023** | **Assets AUD** | **Liabilities AUD** |
|---|---|---|
| Investments in listed securities | 25,570,549 | - |
| Balances with Banks | 1,348,504 | - |
| | 26,919,053 | - |

Foreign currency sensitivity analysis

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

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

| **2024** | **Australian Dollar Impact** | |
|---|---|---|
| | **10% increase** | **10% decrease** |
| Profit/(Loss) | (8,665,130) | 7,089,652 |

| **2023** | **Australian Dollar Impact** | |
|---|---|---|
| | **10% increase** | **10% decrease** |
| Profit/(Loss) | (6,231,718) | 7,616,487 |

**13. Financial Instruments (continued)**

(d) Credit risk and interest rate management

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

Investments in PNG Government Debt instruments measured at amortised cost are subject to impairment, however, the application of IFRS 9 has not resulted in a material expected credit loss allowance, and therefore, no credit loss allowance has been recognized in the period.

Standard and Poor's credit rating for Papua New Guinea stands at B- with stable outlook, Moody's credit rating for PNG stands at B2, also with stable outlook. Both rating agencies affirm the outlook is stable as of second quarter of 2024.

(e) Liquidity risk

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

(f) Other price risk

The Group is exposed to equity price risks arising from equity investments. The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period. If the equity prices had been 5% higher/lower net profit after tax for the year ended 31 December 2024 would increase/decrease by K4,059,953 (2023: K3,710,278).

(g) Fair value of financial instruments

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

The carrying amounts of financial assets held at fair value through profit or loss are carried at their fair values as set out in the statement of financial position.

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

### 14. Segment reporting

The Group operates in one geographical region – Papua New Guinea. For management purposes, segment information determination is based on risk involved with domestic and international securities.

| 2024 | Domestic K | International K | Total K |
|---|---|---|---|
| Dividend, interest income and gain on sale of investments | 3,516,537 | 3,189,793 | 6,706,330 |
| Changes in fair market value of Investments | 5,962,183 | 5,855,164 | 11,817,346 |
| Foreign currency gain/ (Loss) | - | (127,770) | (127,770) |
| Expense | | | (1,706,755) |
| Operating profit | | | 16,689,151 |
| Income Tax | | | (128,894) |
| **Net profit** | | | **16,560,257** |
| | | | |
| Assets | 29,243,857 | 61,057,813 | 90,301,670 |
| Liabilities | (516,954) | - | (516,954) |
| **Net assets** | **28,726,903** | **61,057,813** | **89,784,716** |

| 2023 | Domestic K | International K | Total K |
|---|---|---|---|
| Dividend, interest income and gain on sale of investments | 3,248,007 | 2,423,026 | 5,671,033 |
| Changes in fair market value of Investments | 2,359,114 | 5,818,304 | 8,177,418 |
| Foreign currency gain/ (Loss) | | 232,394 | 232,394 |
| Expense | | | (1,277,015) |
| Operating profit | | | 12,803,830 |
| Income Tax | | | (55,084) |
| **Net profit** | | | **12,748,746** |
| | | | |
| Assets | 27,070,647 | 55,302,700 | 82,373,347 |
| Liabilities | (573,746) | - | (573,746) |
| **Net assets** | **26,496,901** | **55,302,700** | **81,799,601** |

### 15. Capital commitments

There were no material capital commitments at year end.

### 16. Directors and key management personnel compensation

Details of Director Fees

The total remuneration paid to directors by the Company during the financial year was K205,604 (2023: K196,461). The outstanding payable as at 31 December 2024 was K22,200 (2023: K160,867). It consisted of fixed directors' fees, as follows:

| | 2024<br>K | 2023<br>K |
|---|---|---|
| Sir Rabbie Namaliu | - | 22,600 |
| David Kavanamur | 58,404 | 26,661 |
| Sydney George Yates | 88,800 | 88,800 |
| Dame Monica Salter | 58,400 | 58,400 |
| | **205,604** | **196,461** |

### 17. Related party transactions

(a) Equity interests in subsidiary

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

(b) Transactions with key management personnel

i. Key management personnel compensation

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

ii. Loans to key management personnel

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

iii. Transactions with key management personnel of the Group

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

**17. Related party transactions (continued)**

(c) Transactions with other related parties

Other related parties include:

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

Outstanding payable to Kina Funds Management Limited by the subsidiary as at 31 December 2024 was K98,726.92 (2023: K87,470). Kina Funds Management Limited provides investment management services that are disclosed in the income statement.

A management fee of K596,865 (2023: K511,445) is paid by the subsidiary to Kina Fund Management Limited for services obtained during the year.

Kina Securities Limited is the ultimate parent entity of Kina Funds Management Limited and is also the subsidiary's stockbroker for investment activities on PNG stock exchange. The amount payable to Kina Securities Limited by the subsidiary as at 31 December 2024 was K nil (31 December 2023: K nil). The total fees paid during the full year ended 31 December 2024 for stock brokering services by the subsidiary was K nil (2023: K nil).

Kina Assets Management No.1 Limited (the subsidiary) has equity investments in Kina Securities Limited. The fair value of the equity holdings as at 31 December 2024 was K7,115,076. (Dec 2023: K5,107,467). Kina Securities Limited has equity investments in the Company (Kina Asset Management Limited) and total holding as at 31 December 2024 was 77 shares (Dec 2023: 70 shares).

(d) Transactions between the Company and its subsidiary

During the financial year, the Company charged management fees of K1,290,696 (2023: K881,151) to its subsidiary. The management fee is charged by the Company, based on expenses incurred by the Company in managing the affairs of the subsidiary. Payment is made through the intercompany account. At 31 December 2024, the subsidiary owed the Company K53,312,300 (2023: K51,630,433). These accounts are unsecured, non-interest bearing and are receivable on demand. Management has assessed no credit loss provision is required in relation to this asset.

(e) Equity interests held by key management personnel

- Sydney George Yates: 3,577,722 shares held through Columbus Investments Limited (2023: 3,550,261).
- Dame Monica Salter: 12,024,117 shares held through Monian Limited (2023:11,973,117)

**17. Related party transactions (continued)**

(f) Interests register

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

## 18. Remuneration of auditors

| | Consolidated | | Company | |
|---|---|---|---|---|
| | 2024 K | 2023 K | 2024 K | 2023 K |
| Audit of the financial report | 69,300 | 62,700 | 69,300 | 62,700 |
| Half year review | 46,200 | 54,716 | 46,200 | 54,716 |
| | 115,500 | 117,416 | 115,500 | 117,416 |

The auditor of the Group is Deloitte Touche Tohmatsu (2023: PWC PNG).

## 19. Dividends

A total dividend of K10,138,797 was declared and paid (2023: K6,019,198).

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## 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<br>Douglas Street<br>(PO Box 1141)<br>Port Moresby<br>National Capital District<br>Papua New Guinea |
| **Directors** | Sydney George Yates<br>Dame Monica Salter<br>David Kavanamur |
| **Secretary** | Sydney George Yates |
| **Auditor** | Deloitte Touche Tohmatsu<br>Level 6, Deloitte Haus, MacGregor Street, Port Moresby<br>Papua New Guinea |
| **Bankers** | Westpac Bank Limited, Papua New Guinea<br>Kina Bank Limited, Papua New Guinea<br>Credit Suisse, Australia<br>Bank of Queensland, Australia |
| **Stock Exchange** | Papua New Guinea National Stock Exchange |
| **Broker** | Kina Securities Limited<br>Morgans Financial Limited |
| **Share Registry** | PNG Registries Limited |
| **Investment Manager** | Kina Funds Management Limited |