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## **PNGX RELEASE**

### **KAML DELIVERS A ROBUST NET PROFIT AFTER TAX FOR THE HALF YEAR 30 JUNE 2019**

Kina Asset Management Ltd (KAML) reported a strong uplift in net profit for the half-year ended 30 June 2019.

Chairman of KAML, Sir Rabbie Namaliu said the half-year net profit after tax of K10.5 million compared favorably with the previous year's result.

"The half-year to 30 June 2019 has delivered strong investment performance for KAML shareholders, with the Fund generating an investment return of 17.9 per cent" he said.

Sir Rabbie said that the result was largely driven by rebounding global share markets, which resulted in unrealised gains of K8.1 million. In Australia, main contributors included Mirvac Group (MGR) up 39.7 per cent, Telstra Corporation (TLS) up 35.1 per cent, Transurban Group (TCL) up 26.5 per cent, and CSL Limited (CSL) up 16.1 per cent. Internationally, the BlackRock iShares International Wholesale Index Fund was up 17.4 per cent and in PNG, Kina Securities (KSL) was up 36.1 per cent, Credit Corporation (CCP) up 13.9 per cent, and Bank South Pacific (BSP) up 7.8 per cent over the review period.

"K2.9 million came from strong dividend yields and interest income," Sir Rabbie said.

Detailing the investment strategy, Sir Rabbie said that asset allocation as at 30 June 2019 was 40.7 per cent invested in domestic stocks, cash and fixed income and 59.3 per cent invested with international stocks and cash.



“The Fund’s key investment sectors of domestic and international equities outperformed their respective benchmarks over the half-year, Sir Rabbie said.

He said that key portfolio holdings were BSP at 21.7 per cent of the Fund, Vanguard at 11.4 per cent, MGR at 6.6 per cent, CSL at 6.5 per cent, TLS and TCL at 5.9 per cent and 5 per cent respectively.

Sir Rabbie said that the first six months of the financial year started well, as global equity markets rallied strongly, largely reflecting a change in investor’s risk appetite and expectations that central banks globally will maintain accommodative monetary policy settings for longer than previously expected.

“Domestically the economy remains under pressure, but the announcement by the Minister for Petroleum on 2 September that the Government had cleared Total to proceed ‘full steam ahead’ with the implementation of the Papua Gas Project was a most welcome development”, he said.

“The outlook for the global economy remains reasonable. Geo-political disputes remain and continue to damage global trade flows, but, at the same time, both unemployment and inflation rates in developed economies remain low, and further reductions in interest rates by central banks are widely expected.”

“KAML retains a solid liquidity position offshore which will be fully invested as opportunities arise”, Sir Rabbie said.

Sir Rabbie said the net tangible asset backing per share was K1.47 at 30 June 2019 (unaudited and pre-dividend) up from K1.31 toea per share at the end of June 2018. “The share price is trading at a significant discount to the underlying value of the company and the board continues to investigate ways to close this gap”.

Sir Rabbie said that KAML’s Board of Directors had declared a dividend of 3 toea per share, as a reflection of the Fund’s very strong investment performance. The dividend will be payable in October, and shareholders will receive a formal dividend advice in due course. “Shareholders who have not provided their bank account details will be automatically enrolled in KAML’s new Dividend



Reinvestment Plan, approved at the Annual General Meeting held on 26 June 2019.”, Sir Rabbie said.

The share registry contact details, along with the Fund’s Dividend Reinvestment Plan and recently approved Investment Strategy, are available for viewing at the Fund’s website, <http://www.kaml.com.pg/>, Sir Rabbie said.

**END**

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