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**PNGX RELEASE
KINA ASSET MANAGEMENT LIMITED**

KAML REPORTS NET PROFIT AFTER TAX FOR THE HALF YEAR TO 30 JUNE 2021

Kina Asset Management Ltd (KAML) has recorded a net profit of K7.3 million for the half-year ended 30 June 2021, said Chairman of KAML, Sir Rabbie Namaliu.

Sir Rabbie said that KAML's profit was driven by an investment return of 10.2%, as share markets in most countries rose with an improving outlook for the global economy.

"Unrealised gains on KAML's shareholdings totalled K4.8million", Sir Rabbie said.

In Australia, the prices of many of KAML's shareholdings reported double-digit increases, including Westpac Bank (WBC), up 33.3 per cent; Telstra (TLS) up 26.5 per cent; ANZ Bank (ANZ), up 24.5 per cent; ResMed Inc (RMD), up 18.8 per cent; Sonic Healthcare (SHL) up 10.7 per cent; Suncorp Group (SUN) up 10.0 per cent; and Mirvac Group (MGR) up 11.2 per cent.

Internationally, the BlackRock iShares International Wholesale Index Fund was up 13.8 per cent, and the Vanguard International Share Index Fund (VG), 15.2 per cent.

In PNG, Credit Corporation (CCP) was up 10.6 per cent; Kina Securities (KSL) was up 22.2 per cent, and Oil Search Limited (OSH) rose 0.6 per cent over the review period.

"Dividend and interest income rose to K3.0 million, which means the Fund has continued to generate strong cash-flow," Sir Rabbie said.

Sir Rabbie said that asset allocation as at 30 June 2021 was 37.2 per cent invested in domestic stocks, cash and fixed income, and 62.8 per cent invested in international stocks and cash. The respective benchmarks prescribed by the Company's Investment Strategy were 40% (domestic) and 60% (international), he said.

Key portfolio holdings were BSP at 17.7 per cent of the Fund's assets, Vanguard at 13.1 per cent, CSL at 7.0 per cent and KSL at 6.8 per cent.

Sir Rabbie said that the global economic recovery was well underway.

"The rollout of Covid-19 vaccinations has been progressing well in many countries, and the relaxation of containment measures that is beginning to occur will expand the opportunities for the consumption of discretionary services. Governments and central banks around the world have kept in place large fiscal and monetary stimulus measures, which have supported global goods trade and manufacturing."

"Leading indicators of economic growth for most developed countries, and some large developing countries are now above trend, which suggests that global goods trade will be well supported for the remainder of 2021."



Sir Rabbie said that despite these positive developments, the global economic recovery remained uneven. “Outbreaks of Covid-19 – including the more transmissible variants – continue to impact sustainable recovery in many countries, including Australia”, he said.

“In PNG, international travel restrictions have been tightened, and business activity remains weak, notwithstanding that global supply chain pressures and new export orders have led to higher commodity prices. Agreement between government and development partners as to the benefit sharing regime for major resource projects is a cause for some optimism, but a sustainable improvement in economic conditions in 2021 appears unlikely.”

Sir Rabbie said that KAML’s Board of Directors had decided to declare an interim dividend for 2021 of 6 toea per share in view of the Fund’s investment performance and improved global economic outlook. The dividend would be payable in October.

Sir Rabbie said that KAML retained a solid liquidity position, both domestically and offshore, which meant the Company was well placed to exploit new opportunities as they arise.

The net tangible asset backing had now achieved K1.70 per share. “While KAML’s shares continue to trade at a significant discount to the underlying value of the company, the dividend now declared will bring payments to shareholders this year to 10 toea per share”, he said.

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

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