



23<sup>rd</sup> October 2020

For Public Release

### **KGF AGM Resolutions and Manager's Presentation**

Kinetic Growth Fund Limited (KGF) today held the Annual General Meeting of shareholders at the Suva Business Centre, Victoria Parade, Suva.

At the AGM, the representative of KGF's Manager, Kontiki Capital Ltd (KCL), presented on KGF's FY2019 performance and outlined KGF's strategic priorities for the intermediate term.

Resolutions passed by the shareholders were as follows:

#### **Item 1 - Financial statements for the year ended 31 December, 2019**

The audited financial statements together with the report of the directors and auditors for the financial year ended 31 December, 2019 was approved.

A motion was moved by Ms. Frazine Dutta and seconded by Mr. Prem Chand. By show of hands, the motion was passed unanimously by the shareholders.

#### **Item 2 - Election of Directors**

Mr. Erik Larson retired by rotation in accordance with Article 107 of KGF's Articles of Association, and being eligible, offered himself for re-election. Mr. Larson was re-elected.

A motion was moved by Mr. Prem Chand and seconded by Ms. Christina Kwan. By show of hands, the motion was passed unanimously by the shareholders.

Mr. Andy Yuen whose term of office expired at the Annual General Meeting, was appointed in accordance with Article 111 of KGF's Articles of Association.

A motion was moved by Mr. Bob Niranjana and seconded by Ms. Christina Kwan. By show of hands, the motion was passed unanimously by the shareholders.

#### **Item 3 - Appointment of Auditors**

The Board proposal to re-appoint Messrs. Ernst & Young as Auditors for the next financial year was approved.

A motion was moved by Mr. Prem Chand and seconded by Ms. Christina Kwan. By show of hands, the motion was passed unanimously by the shareholders.

#### **Item 4 - Extension of the Share Buy-Back Programme**

The Board proposal to extend the Share Buy-Back programme for KGF under Section 221-223 of the Companies Act for an additional three years was approved.

A motion was moved by Ms. Christina Kwan and seconded by Mr. Sowani Tuidrola. By show of hands, the motion was passed unanimously by the shareholders.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'Erik Larson', written over a horizontal line.

Erik Larson  
**Chair**

A handwritten signature in blue ink, appearing to be 'Griffon Emose', written over a horizontal line.

Griffon Emose  
**Company Secretary**

# KINETIC GROWTH FUND



Annual General Meeting  
23 October 2020

# **2019 Review**

# Financial Performance

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## ■ Holding Company

■ Revenue	\$854,315	▼ 17.9%
■ NPAT	\$254,442	2018: (\$1,019)

## ■ Group

■ Revenue	\$1,267,265	▼ 29.7%
■ NPAT	\$94,606	▼ 16.3%

Key: ▼ Declined ▲ Improved

# Key Factors to Performance

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## ■ Holding Company

■ Dividends received	\$228,924	▼ 43.8%
■ Unrealised gains	\$603,276	▼ 4.4%
■ Performance fee	\$16,558	2018: \$255,827

## ■ Group

■ OCL revenues	\$399,954	▼ 44.5%
■ OCL net loss	(\$179,737)	2018: \$145,379

Key: ▼ Declined ▲ Improved

# Shareholders' Equity

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- NAV per Share

■ 31 <sup>st</sup> December 2016	\$0.62	
■ 31 <sup>st</sup> December 2017	\$1.01	▲ 62.9%
■ 31 <sup>st</sup> December 2018	\$1.04	▲ 3.0%
■ 31 <sup>st</sup> December 2019	\$1.06	▲ 2.0%

- Over the last 3 years, shareholders equity grew by 19.6%

- No dividend declared or paid

Key: ▼ Declined ▲ Improved

# Share Price

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- Share price

■ 31 <sup>st</sup> December 2016	\$0.45	- 0.0%
■ 31 <sup>st</sup> December 2017	\$0.53	▲ 17.8%
■ 31 <sup>st</sup> December 2018	\$1.02	▲ 92.5%
■ 31 <sup>st</sup> December 2019	\$1.12	▲ 9.8%

- KGF shares traded at a 6.0% premium to NAV per share as at 31<sup>st</sup> December 2019

Key: ▼ Declined ▲ Improved



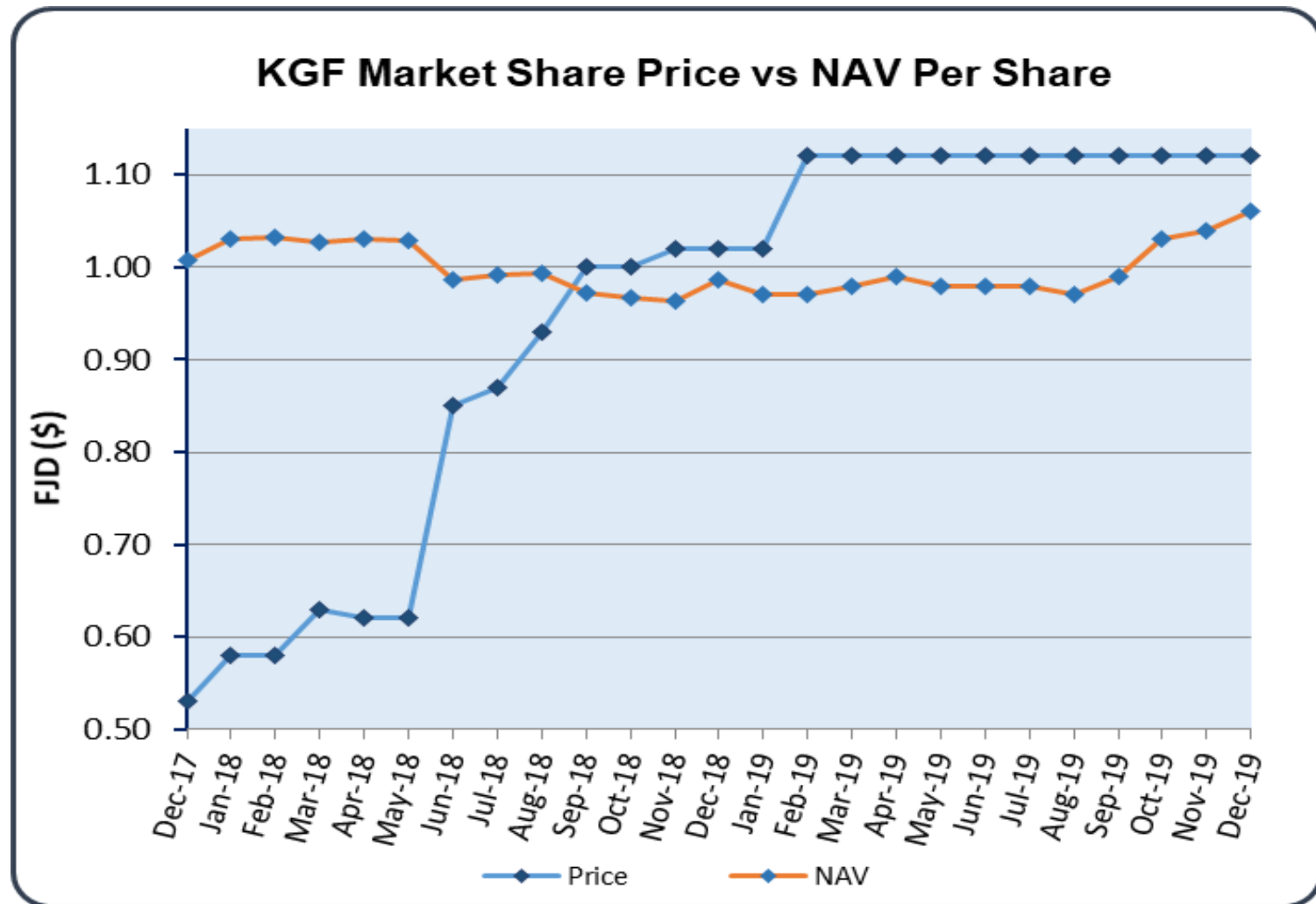


# Share Buy-Back Programme

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- Share buy-back programme since 2017 has had a positive effect
  - 78,231 shares repurchased for a total consideration of \$40,043
  - Average acquisition price of 50.3 cents per share
  - Generated new buying interest other than KGF
  - Improved liquidity for all shareholders
  - Share price has grown 148.9% since programme introduced
- 3-year extension to programme sought
  - To be used only where favorable to KGF

# KGF Price vs NAV / Share



# Equity Portfolio - 31 December 2019

Shares	Company		Cost (\$)	Market (\$)	% Net Assets
	Oceanic Communications Pte	Unquoted			
224,256	<i>OCL Preference Shares</i>		224,256	224,256	6.0%
N/A	<i>OCL Preference Share Dividends Receivable</i>		N/A	9,769	0.3%
	Drone Services (Fiji) Pte Ltd	Unquoted			
82,500	<i>DSF Ordinary Shares</i>		82,500	82,500	2.2%
217,500	<i>DSF Preference Shares</i>		217,500	217,500	5.8%
N/A	<i>DSF Preference Share Dividends Receivable</i>		N/A	25,630	0.7%
	Island Quarries Pte Ltd	Unquoted			
250,000	<i>IQL Convertible Notes</i>		170,000	170,000	4.5%
N/A	<i>IQL Preference Shares Receivable</i>		N/A	700	0.0%
138,254	Halabe Investment Pte Ltd	Unquoted	883,443	1,210,872	32.3%
232,723	Pleass Global Ltd	SPX: PBP	185,604	605,080	16.1%
94,234	FMF Foods Ltd	SPX: FMF	48,194	199,776	5.3%
661,410	Kontiki Finance Ltd	SPX: KFL	253,681	859,833	22.9%
1,393,750	Fiji Kava Ltd	ASX: FIJ	371,328	147,977	3.9%
<b>Total Financial Assets</b>			<b>2,486,505</b>	<b>3,753,894</b>	<b>100.0%</b>
			<b>Cost (\$)</b>	<b>Market (\$)</b>	<b>% Net Assets</b>
Private Equity			1,457,699	1,941,228	51.7%
Listed Equity			858,806	1,812,666	48.3%

# Listed Portfolio

# Listed Shares

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Shares	Company	Cost (\$)	Market (\$)	% Net Assets
232,723	Pleass Global Ltd	185,604	605,080	16.1%
94,234	FMF Foods Ltd	48,194	199,776	5.3%
661,410	Kontiki Finance Ltd	253,681	859,833	22.9%
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# Performance

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## ■ Dividends

■ FY2017	\$0.23m	▲ 259.5%
■ FY2018	\$0.03m	▼ 85.8%
■ FY2019	\$0.03m	▼ 11.0%
■ Paid by FMF, PBP, KFL		

## ■ Unrealised capital gains

■ FY2017	\$1.31m	▲ 465.2%
■ FY2018	\$0.63m	▼ 51.3%
■ FY2019	\$0.60m	▼ 4.4%

Key: ▼ Declined ▲ Improved

# **Private Equity Portfolio**

# Halabe Investments



# Performance

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- Total Operating income      \$548,417      ▼ 65.5%  
HIL in 2019 sold 2 units in Viti Towers
- EBITDA      \$255,989
- NPAT      \$152,601
- Occupancy rate virtually 100.0%
- Rent freeze remains in place
- KGF received \$200,000 dividend

Key: ▼ Declined ▲ Improved



# 2020 Update

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- Softening of luxury apartment market evident
- Strategy of selling off assets to realise value to continue
- Dividends from further sales of property assets anticipated

**Oceanic Communications Ltd**

# Performance

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- Revenues \$399,954 ▼ 44.5%
- NPAT (\$179,737) 2018: \$145,379
- Constrained market during 2019
- \$44k in preference share dividends paid to KGF over the year

Key: ▼ Declined ▲ Improved



# 2020 Update

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- Major impact by COVID-19 on advertising industry
- Constrained environment expected to continue into 2021
- Focus on:
  - Cost control
  - Collection from debtors
  - New client acquisition

# Drone Services

# Performance

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■ Total Operating income	\$382,457	▲ 49.9%
■ NPAT	(\$115,974)	▼ 79.7%

Key: ▼ Declined ▲ Improved



# 2020 Update

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- Major impact by COVID-19 on most segments of industry
  - Up-tick in unit sales and associated training for enforcement agencies
- Constrained environment expected to continue into 2021
- Accounting issues resolved
- Focus remains on winning new business and cost control



# Island Quarries



# Update

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- \$170k of \$250k drawn down
- Landslide in March 2020
- Focus on:
  - Recommencement of operations
  - Quarry operations partner

**Looking Ahead**



# Focus for 2020 and Beyond

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- COVID-19 has had a significant effect on investment generally
- Continue to grow NTA per Share
- Renew investment portfolio with profitable opportunities
  - Discussions with various potential investments on-going
- Continue to work closely with subsidiary companies to enhance value

Thank You