Kinetic Growth Fund Limited

Annual Report
2019

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CONTENTS

KINETIC GROWTH FUND

REPORT FROM THE MANAGER

This report reviews the Kinetic Growth Fund's ("KGF") activities over the year ended 31 December, 2019.

1. General Review

Operating Environment

Fiji's 2019 GDP growth is estimated at -1.3% compared with 3.5% in 2018 as reported by the Reserve Bank of Fiji ("RBF"). Although a decline from the average growth of 3.0% over the past 5 years, this was less severe than other regional economies. This reduction was due largely to lower consumption in investment spending, particularly in the wholesale, retail, hotels, & restaurants sector and private individuals' sectors.

Foreign Reserves stood at $2,190.0m as at 31 December, 2019, equivalent to 5.1 months of retained imports, compared with 5.4 months at the end of the previous year.

Inflation was at -1.7% at year end, compared with 4.9% at the end of the previous year. This was mainly due to lower prices recorded for communications; alcoholic beverages; tobacco & narcotics; housing; water; and electricity, gas and other fuel.

Liquidity remained strong at just over $603.7m, although this exhibited a falling trend during the year, down 1.5% over the last quarter.

Performance

KGF's results in 2019 reflected net gains in its investment portfolio over the year. The following table summarises the KGF's financial performance in 2019.

	Holding Company		Group	
	2018 ($) Restated*	2019 ($)	2018 ($) Restated*	2019 ($)
Income	1,076,472	854,315	1,802,405	1,267,265
Profit after Tax	(1,019)	254,442	112,973	95,574
Dividends per share (cents)	2.00	-	2.00	-
Earnings per share (cents)	(0.00)	0.07	0.03	0.03

The results include consolidation of Oceanic Communications Pte Ltd ("OCL") under "Group". KGF owns 50% of the ordinary equity in OCL and consolidates the results of the company under the accounting standards.

Note that in line with IFRS, KGF's audited financial statements now only include the results for the group, and not the holding company. However, in the interests of ensuring shareholders receive complete information, the underlying holding company results are shown in the appendix to this report.

Holding Company:

- KGF recorded total revenue of $0.85m, down 20.6% compared with the $1.80m achieved in 2018. This was largely due to lower capital appreciation from KGF's investments in 2019 ($0.60m) compared to 2018 ($0.63m).

- Net unrealised gains in listed company investments amounted to $0.01m, mainly from the increase in share prices of FMF Foods Ltd (FMF), Pleass Global Ltd (SPX: PBP) and Kontiki Finance Ltd (SPX: KFL), and partly offset by a slight decrease in the share price for Fiji Kava Limited ("FIJ"). PBP, KFL and FMF are listed on the South Pacific Stock Exchange ("SPX") while FIJ is listed on the Australian Securities Exchange ("ASX").
- Expenses for the year decreased by 30.6% to $0.76m compared with $1.09m in 2018. This was attributed mainly to lower performance fees paid to the Manager (see below).
- Performance fees of $0.01m were earned by the Manager [Kontiki Capital Pte Ltd ("KCL")] reflecting increases in KGF's share price over the year. This was a 93.5% reduction on 2018 performance fees of $0.26m.

  The calculation of the performance fee is set out in the KGF Management Agreement and reflects increases in net asset value (NAV) per share and the share price on the SPX. With the long-standing and significant gap between KGF's share price and NAV per share closing by the end of 2018, thanks to the highly successful share buy-back programme, the performance fee in 2019 reflected a smaller increase in share price during the year.
- The sharp reduction in expenses saw the Holding Company profitability increase strongly in 2019. Net profit after tax of $0.25m was achieved, compared with a net loss of $1,019 in 2018.

Group

- FY2018 financial statements were restated to reflect the removal of Drone Services (Fiji) Pte Ltd [DSF] from the consolidated accounts. Under IFRS, DSF will now be treated as an "associate" company of KGF rather than a subsidiary. Consequently, the Group figures reflect the consolidation of KGF's only subsidiary, OCL.
- At the Group level, total revenue was $1.30m, a 29.7% decrease compared with $1.80m in 2018.

  Revenue was affected by a significant 45.3% drop in OCL's revenue.
- Cost of sales and other expenses decreased by 1.2% to $0.14m compared with $0.15m in 2018.
- Overall, the Group recorded a net profit of $0.09m for the year compared with a $0.11m net profit after tax in 2018. This reflects the profitability of the holding company being offset by the results of KGF's subsidiary, which is discussed in more detail in Section 2 of this report.
- At the end of 2019, KGF's net asset value ("NAV") per share was $1.05, up 6.1% from the end of the previous year, while the share price increased by 9.80% to $1.12 (2018: $1.02). KGF shares were trading at a 6.2% premium to net asset value.
- No Dividend was declared or paid during the year.

Significant Events

Significant events during the year included the following:

- KGF committed to investing $250,000 in Island Quarries Pte Ltd (IQL) in the form of Convertible Preference Shares. By the end of the year, $170,000 had been drawn down.
- KGF invested AUD$75,000 in a convertible note with investee company Fiji Kava Limited (FIJ). The convertible note holds a term of eighteen months and carries with it a 6% per annum interest rate over the issue price.
- KGF received $0.20m of dividends from investee company, Halabe Investment Pte Ltd ("HIL"). The dividends were from asset sales by HIL and KGF's carrying value for HIL was reduced accordingly.
- A total of $0.06m of preference share dividends were received from OCL and DSF.

Looking Ahead

2020 will be a challenging year for KGF with the effects of COVID-19 and constrained economic conditions affecting investments generally. Despite these challenges, the focus for KGF remains the same, albeit with a very cautious approach in view of the significant uncertainty.

In this regard, in 2020 the Manager will continue to focus on the following:

- Deploying KGF's capital in ways that offer attractive long-term returns for shareholders. This recognises that the economy will recover in future and that investment in the current environment requires a prudent and patient approach.
- Continuing to work closely with investee companies to manage the challenges of a constrained business environment and increase the value of KGF's investments. Priority will be on private equity investments such as OCL, DSF and IQL where playing an active role can help generate significant gains in investment value.
- Identifying outstanding investment opportunities, including situations where asset prices have been temporarily depressed and/or are significantly below estimated valuation.

2. Portfolio Review[1]

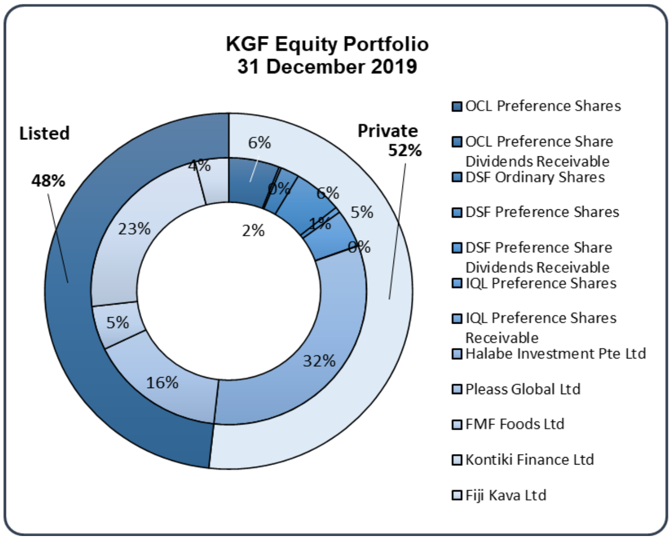
Since its establishment in late 2004, KGF has invested a total of $3.37m. The Fund's portfolio as at 31 December, 2019[2] is shown below, and includes investments in seven businesses: four listed companies and three private companies.

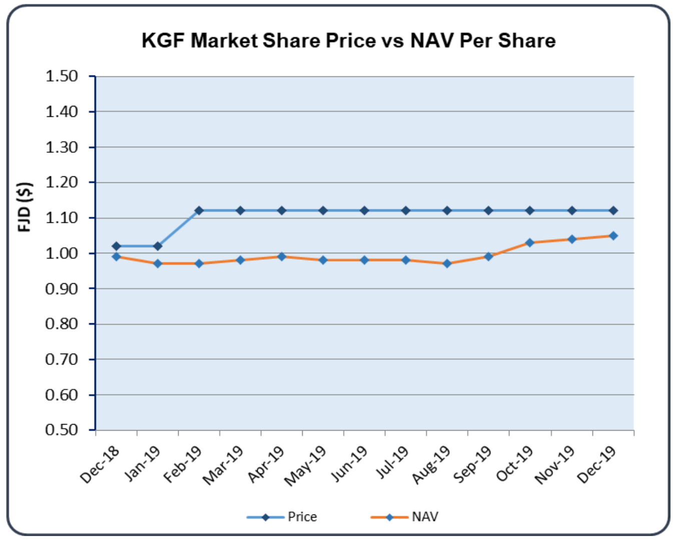
Shares	Company		Cost ($)	Market ($)	%Net Assets
	Oceanic Communications Pte Ltd	Unquoted			
224,256	*OCL Preference Shares*		224,256	224,256	6.0%
N/A	*OCL Preference Share Dividends Receivable*		N/A	9,769	0.3%
	Drone Services (Fiji) Pte Ltd	Unquoted			
82,500	*DSF Ordinary Shares*		82,500	82,500	2.2%
217,500	*DSF Preference Shares*		217,500	217,500	5.8%
N/A	*DSF Preference Share Dividends Receivable*		N/A	25,630	0.7%
	Island Quarries Pte Ltd	Unquoted			
170,000	*IQL Preference Shares*		170,000	170,000	4.5%
N/A	*IQL Preference Shares Receivable*		N/A	2,400	0.1%
138,258	Halabe Investment Pte Ltd	Unquoted	883,443	1,210,872	32.2%
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%
	Total Financial Assets		**2,486,505**	**3,755,594**	**100.0%**

	Cost ($)	Market ($)	%Net Assets
Private Equity	1,457,699	1,942,928	51.7%
Listed Equity	858,806	1,812,666	48.3%

[1] For ease of reference, where the financial year for a company differs from the calendar year, the term "financial year" or the pre-fix "FY" is used. Therefore, "FY2019" refers to a 12-month period that ends during 2019 but not on 31 December (e.g. a financial year ending on 30 September 2019).

[2] KGF also holds ordinary shares in Savusavu Harbourside Ltd, which were previously written down to zero value. The carrying value of these investments may be adjusted should future circumstances warrant.





Listed Equity Portfolio

At the end of the year, KGF held shares in the following companies that are listed, either on the SPX or ASX as indicated below:

- Pleass Global Ltd (SPX: PBP)
- FMF Foods Ltd (SPX: FMF)
- Kontiki Finance Ltd (SPX: KFL)
- Fiji Kava Ltd (ASX: FIJ)

In 2019, KGF saw a 15.1% increase in the value of its listed portfolio over the year. This reflected the gains in FMF, KFL, and PBP totalling $0.33m and only partially offset by the decline in FIJ of $0.09m. KGF received $0.04m in dividends from FMF Foods Limited (FMF), Pleass Global (PBP) and Kontiki Finance Ltd (KFL).

KGF's listed equity portfolio comprised 46.9% of the Fund's total financial assets.

Private Equity Portfolio

The Manager and Board select appropriate valuation techniques for private equity investments in consultation with the auditors. For each private equity investment, this report discloses the basis of valuation. Shareholders should note that changes in the method(s) of valuation could result in changes to valuations.

Halabe Investments Ltd (HIL)

HIL is a property management and development company that owns prime residential real estate including:

- Viti Tower in Wailoku – A luxury 14-apartment complex, 10 of 14 units been sold by the end of 2019. The remaining apartments are valued at $0.65m VEP per unit based on the most recent sales.
- Viti Villas - A 3-villa complex on its Krishna Street, Wailoku property. One villa was sold during the year with the remaining villas, valued at $1.25m VEP each, under negotiation for sale.

During the year, HIL sold two units in Viti Tower and one villa in Viti Villas totaling $2.8m which allowed a special dividend to be paid to shareholders, of which KGF received $200,000. In the meantime, HIL's occupancy rate remained strong at close to 100% for most of the year.

During FY2019 (year ended 31 September, 2019) operating income was $0.55m, a 59.6% decrease over the previous year, reflecting fewer apartment units remaining on HIL's books.

Operating expenses increased by a modest 6.4% to $0.32m with NPAT down 81.3% to $0.15m.

As a property manager and developer, HIL has mortgage debt, depreciation and interest costs which affect its balance sheet and accounting profits. The key therefore is cashflow to cover its financing and other needs. In this regard, HIL's EBITDA remained positive in FY2019 at 0.41m. Importantly, HIL's performance was achieved despite the continued commercial rent freeze imposed by Government in 2007.

The valuation of HIL in KGF's books is on an equity basis. KGF decreases its carrying value of HIL by the amount of dividends received from the company, which results in no net change in KGF's total asset value. KGF recognises changes in valuation based on HIL's annual profit or loss from operations, net profit or loss from sale of any properties beyond carrying value, and any changes in valuation of current property holdings after accounting for anticipated tax liabilities. Following this method, KGF recorded its investment in HIL at $1.21m at the end of 2019, reflecting the $0.20m of dividends received during the year partially offset by KGF's proportionate share of HIL's net profit after tax for the financial year. As the valuation was subject to the audit process to establish HIL's equity value, KGF's portion of the revaluation increase in HIL was recorded only at year end.

Oceanic Communications Ltd (OCL)

OCL is a full-service communications company, providing advertising, marketing and digital communications services. 2019 was a challenging year for OCL as the advertising industry as a whole was subdued throughout the year, suggesting a general downturn in business. In this environment, OCL focused on tightly controlling costs while continuing to aggressively seek new business opportunities.

In 2019, operating income was $0.40m down 42.6%. OCL made a net loss of $0.17m, compared with NPAT of $0.15m in 2018. This included a write-down in trade debtors relating to prior years. Adjusting for this, OCL's underlying net loss was $0.13m.

KGF values its investment in OCL using the equity method. Under this method, KGF's carrying value reduced by $0.50m, recognising an impairment loss to its ordinary shares. Despite this, KGF's carrying value of $0.22m recorded higher relative to the company's NPAT.

Drone Services (Fiji) Pte Ltd (DSF)

KGF invested in DSF in August 2018. DSF provides drone services to a range of clients, including mapping and surveying, videography, airspace security, drone-related training and education, drone hire and related equipment sales. While DSF's business is currently Fiji-focused, the company aims to expand regionally and is already in discussions with regional parties in this regard.

In 2019, DSF increased operating income by 3.0% to $0.29m. Revenue was mainly sourced from equipment sales, aerial surveying, licensing and training programmes. The company recorded a net loss of $0.09m, an increase of 28.5% reflecting higher spending in preparation for anticipated growth.

One issue faced by DSF from the outset, which is common to private equity investments in the Manager's experience, was the need to develop DSF's accounting systems to the standards required by KGF and external auditors. During the year, this work continued and we are now confident that DSF has the systems in place to align its accounting and reporting systems with those of KGF.

KGF invested a total of $0.30m in DSF, made up of 82,500 ordinary shares (25.1% of total) and 217,500 preference shares (100% of total).

Island Quarries Pte Ltd (IQL)

IQL operates the Mau Quarry, located in Namosi, approximately 50km from Suva. Through its quarry operations, IQL is involved in the extraction and supply of rock, gravel other stone aggregates for the Building & Construction industry, including for buildings, roads, bridges and other civil / infrastructural developments.

In late 2019, KGF invested $0.25m in IQL in the form of Convertible Preference Shares, with funds drawn down progressively in line with IQL's development. By the end of the year, a total of $0.17m had been drawn down.

Summary of Private Equity Portfolio

The following table summarises the performance of the individual companies in which KGF was invested throughout the year. This does not include IQL in which KGF invested late in 2019.

	Revenues			EBITDA			NPAT		
	2018 ($)	**2019 ($)**	**Movement**	**2018 ($)**	**2019 ($)**	**Movement**	**2018 ($)**	**2019 ($)**	**Movement**
HIL	1,358,182	548,417	(59.6%)	1,093,454	255,989	(76.6%)	817,073	152,601	(81.3%)
OCL	720,903	413,700	(42.6%)	213,809	(92,729)	N/A	145,379	(173,732)	N/A
DSF	255,194	382,457	49.9%	(24,363)	(64,999)	(366.8%)	(64,528)	(115,974)	(279.7%)

Overall Portfolio Performance

In summary, KGF's portfolio size grew by 3.9% to $3.42m in 2019 compared with $3.27m in 2018. This was due largely to the gain in share price of PBP, KFL and FMF.

KGF received a total of $0.24m in dividends representing a 46.2% decrease compared to $0.41m in 2018. Of this, KGF received $0.20m in dividends from HIL alone.

Events Subsequent to Balance Date

Two events following the financial year-end are worth noting as these have had, or may have, a significant impact on KGF's performance in 2020.

Landslide at Mau Quarry

In March, 2020, a landslide at the Mau Quarry resulted in three IQL staff members, including the CEO, losing their lives. The victims were key members of the IQL team and their loss has been devastating for IQL's business

The tragedy resulted in the immediate suspension of IQL's operations pending an investigation by the authorities. The investigations were on-going at the time of this report but management is confident that the quarry will recommence operations in the year 2020. Much of the quarry plant and equipment was offsite at the time of the landslide and Management is currently in discussions with potential operational partners. For the time being, KGF has retained the carrying value of its IQL investment and will make adjustments as appropriate once the outcome and impact of the investigation are known.

The Board and Manager of KGF extend their sincere condolences to the families of the victims for their painful loss. KGF continues to provide assistance to IQL on request, to ensure the company is positioned to recommence operations smoothly the green light is received.

COVID-19

The Coronavirus pandemic has had a profound impact on the Fiji economy and the general business and investment environment.

It is expected that all businesses in KGF's portfolio will be adversely affected to varying degrees. Indeed, the effects are already being felt by OCL, as advertising activity in the economy remains depressed, and DSF, where sales and demand for other services have declined, and key members of staff remain stranded abroad. On the public markets, stock prices are expected to trend downwards, and realise lower capital gains than in recent years, as the underlying businesses feel the pinch. This is in line with the RBF's latest forecast for economic growth in 2020 of -21.7%.

At this stage, the exact effects of COVID-19 on KGF's investments and the fund as a whole are difficult to quantify. The Board and Manager will continue to closely monitor the situation as the year unfolds and where appropriate, adjust the portfolio valuations and structure. The Manager will also continue to provide support and guidance to KGF's subsidiaries where appropriate, as the companies navigate through a very challenging environment.

3. Corporate Governance Statement

The Kinetic Growth Fund (KGF or "the Company") is managed by Kontiki Capital Ltd (KCL) and overseen by a Board of Directors.

Management

KCL is licensed as an Investment Advisor by the RBF in all licensable categories. In addition, three members of its investment team are licensed by the RBF as Investment Advisor Representatives of KCL.

As licensees, KCL and its representatives must meet standards set by the RBF for academic, experience and other qualifications. They are also required to strictly adhere to the various policies, rules and regulations set by the RBF, and are monitored by the RBF. The latter includes periodic inspections of KCL's investment operations.

KCL is appointed as Manager of KGF under a *Management Agreement,* under which KCL is responsible for:

- Managing KGF's investment portfolio including making investment decisions on behalf of the Company;
- Researching and identifying prospective investments;
- Marketing KGF to potential investors;
- Keeping KGF informed of relevant issues relating to the investment portfolio;
- Assisting the administrator in the preparation of information required by the Company, shareholders, regulators, auditors and other stakeholders;
- Assisting the Administrator with valuations of the Net Asset Value of the Company; and
- Acting in the interests of the Company at all times and exercising the care and skill expected of a prudent investment manager.

In addition, the Agreement sets out policies on a range of other matters including fees, managing conflicts of interest, borrowings, dividends, risk and general administration, which KCL is required to adhere to. Details of the Agreement are available to shareholders requiring further information.

Board

The work of KCL as Manager is overseen by the Board of Directors. The Board is currently made up of four directors of whom two are independent. The policy and aim of the Company is to have at least 50% of the board made up of directors not directly associated with the Kontiki Group. The Chairmanship of the Board is held by an independent director. All board members of the Company bring extensive experience in business, investment and management.

In addition, an audit sub-committee made up of board members oversees audit-related issues in consultation with the auditors.

The Board is charged with overseeing the investment portfolio and operations of KGF. Although the Management Agreement allows the Manager to select investments independently, the Manager's policy is that all investment and other significant decisions must be endorsed at Board level.

The Board is assisted by a Company Secretary, who is a senior member of KCL's staff.

Corporate Governance Report:

	Principles		
1.	Establish clear responsibilities for board oversight	Separation of duties: Clear separation of duties between Board and Senior Management.	The function and powers of the Board and the Manager are prescribed by KGFs Constitution, Board Charter and the Management Agreement. In addition, the Board is actively involved in KGF's operations and holds regular discussions with the Manager, through physical or on-line meetings, phone calls and email. Formal resolutions and substantial matters are reserved for formal board meetings, of which three were held during the year, however ad-hoc meetings and discussions involving directors occur on an almost weekly basis.
		Board Charter: Adopt a Board charter detailing functions and responsibilities of the Board.	A Board Charter has been implemented.
2.	Constitute an effective Board	Board Composition: Balanced Board Composition with Executive and Non-Executive directors of which 1/3rd of total number of directors to be independent directors.	Directors are selected based on qualifications, experience and competencies. The Board currently has four directors of whom two are independent.
		Gender Diversity: Do you have a policy for promoting gender diversity at Board level and have you achieved your policy goals?	The Board Charter does not have a specific "gender diversity" policy but sets an "equal opportunities" policy which prohibits discrimination on the basis of colour, gender, religion or beliefs, sexual orientation or marital status. The board plans to appoint a female director in the current calendar year.
		Nomination Committee: Selection, approval, renewal and succession of Directors to be conducted by Nomination Committee in accordance with Articles of Association of the Company and Fit and Proper Policy of Reserve Bank.	KGF's Constitution governs the appointment and rotation of directors. Given the size of the Board, this role is overseen by the Board in accordance with the Constitution, Board Charter and RBF policies.
		Board Evaluation: Process of evaluation of performance of the Board, its Committees and individual directors. Evaluation to be linked to key performance indicators of the listed entity.	The Board's effectiveness is gauged against priorities set and discussed at each AGM. Board / committee evaluation is conducted on an annual basis.
		Directors Training: Directors' training and induction procedure to be in place to allow new directors to participate fully and effectively.	Director training and induction process are specified in the Board Charter.
		Board Sub-committees: Board must have sub-committees which must at a minimum include - • Audit Committee; • Risk Management Committee; and • Nomination Committee/Recruitment Committee.	An Audit Committee is in place. Given the size of the organisation and the Board, the remaining roles are carried out by the Board and Manager, in accordance with the Constitution and Board Charter.

3.	Appointment of Chief Executive Officer / Managing Director	CEO: To appoint a suitably qualified and competent Chief Executive Officer/ Managing Director	Not applicable. Under the Management Agreement, KGF is managed by KCL.
4.	Appointment of a Board and Company Secretary	Company Secretary: Board to appoint a suitably qualified and competent Company Secretary, who is accountable to the Board, through Chair, for all compliance and governance issues.	KGF has one company secretary who is a senior member of KCL's staff.
5.	Timely and balanced disclosure	Annual Reports: Timely and accurate disclosures are made in Annual reports as per Rule 51 of Listing Rules.	The Board maintains the function of oversight while it is the responsibility of the Manager to ensure that all disclosures, compliance or otherwise, including Annual Reports and company announcements are released to the SPX in a balanced and timely manner. Likewise, remuneration is fully disclosed to shareholders and any changes are also approved by the shareholders.
		Payment to Directors and Senior management: Sufficient information to be provided to shareholders on remuneration paid to Directors and Senior management.	
		Continuous Disclosure: General disclosures or company announcements to be made in a timely manner. The disclosures should be factual without omitting material information and to be expressed in a clear and objective manner to shareholders.	
6.	Promote ethical and responsible decision-making	Code of Conduct: To establish a minimum Code of Conduct of the listed entity applicable to directors, senior management and employees and conduct regular trainings on the same.	A Code of Conduct has been implemented. The Board and Management endeavor to ensure that all decisions are ethically, economically, environmentally and socially responsible.
7.	Register of Interests	Conflicts of Interest: Transactions with related parties resulting in conflict of interest are disclosed and a register is maintained for this purpose.	A Conflicts of Interest Policy has been implemented. With the Board's oversight, the Manager is responsible for keeping and maintaining a Register of Interests. Furthermore, KGF as part of its compliance with listing requirements, submits its Semi-Annual Returns to the SPX bi-annually.
8.	Respect the rights of shareholders	Communication with shareholders: To design communication strategy to promote effective communication with shareholders and encourage their participation. Examples: Communication through Annual Reports, Annual General Meetings, or any other means of electronic communication.	Rights of shareholders are detailed and protected under KGFs Constitution. KGF holds an Annual General meeting to discuss and address issues raised by shareholders and shareholders are also encouraged to submit questions for tabling at the AGM. In addition, shareholders may raise concerns with the Manager at any time.
		Website: To create and maintain a Website of the listed entity to communicate effectively with shareholders and other stakeholders. All matters of importance to be updated regularly on the Website.	Information is channeled through the Manager's corporate website.

		Grievance Redressal Mechanism: To establish a Grievance Redressal Mechanism for Shareholders to address shareholders complaints and grievances.	A Grievance Redressal Mechanism has been implemented.
		Shareholders' Complaints: To provide the number of shareholders' complaints received and attended to during the year. Provide reasons if any complaint is unresolved or unattended.	The Compliance Officer maintains a complaints register and any grievances is handled through the Grievance Redressal Mechanism. No complaints were lodged during the year.
		Corporate Sustainability: To adopt a business approach that creates long-term shareholder value by embracing opportunities, managing risks, maximising profits and minimising negative social, economic, and environmental impacts.	The business approach is set by the Board and Manager and reviewed at least annually. In practice, the Board is very actively involved in all strategic and commercial decision-making, in close partnership with the Manager.
9.	Accountability and audit	Internal Audit: To appoint an internal auditor or an alternative mechanism to achieve the objectives of risk management, control and governance.	Given KGF's size, an internal auditor is not used. The Board maintains oversight over KGFs compliance, accountability and audit processes. All matters are discussed and addressed at board level at board meetings, which is attended by the Manager's representatives.
		External Audit: To appoint an external auditor who reports directly to the Board Audit Committee.	An external auditor is appointed annually.
		Rotation of External Auditor: To appoint the external auditor for a fixed term requiring senior partner of the audit firm to rotate once in every three or less financial years.	The audit partner is rotated every three years and the audit Manager is also rotated regularly.
		Audit Committee: To establish an Audit Committee comprising of at least 3 members of which majority are independent and Chair is not Chair of the Board.	An audit committee has been appointed and includes two directors, one of whom is independent, with the Manager's representative.
10.	Risk Management	Risk Management Policy: To establish a Risk Management Policy to address risk oversight, risk management and internal control. The Policy to clearly define the roles and responsibilities of the Board, Audit committee, management and internal audit function.	The Board and Management identify key business and operation risks at each board meeting. Appropriate controls are then established to manage and/or mitigate risks identified. The respective responsibilities are governed by the Corporate Governance policy and Board Charter.
		Whistle Blower Policy: As part of risk management strategy, establish a Whistle Blower Policy by creating a mechanism of reporting concerns of unethical behavior, actual or suspected fraud or violation of the listed entity's code of conduct or ethics policy, SPX Rules or	A Whistle Blower policy has been implemented.

		Companies Act. [Refer Rule 68 of the Listing Rules]	

Other

As a listed company, KGF is also subject to the rules and regulations for listed companies as set out by the SPX and RBF. This includes, but is not limited to, market communications with its various stakeholders. Communications cover market announcements of material investment and other decisions and developments in the Company, and regular brokers' briefings.

In addition, KGF is subject to annual audit by Ernst & Young.

4. Conclusion

The Manager would like to take this opportunity to thank the directors of KGF for their contribution and support throughout the year despite their busy personal schedules.

Although 2019 was a challenging year for investment generally, it was pleasing to see the holding company make a net gain. We view holding company performance as the most relevant for fund performance as this adjusts for the effect of business fluctuations in subsidiary companies and consolidated accounts. The Manager and board also view the decreases in some public market prices and profitability in some of the investee companies as temporary and not indicative of the future potential of these companies.

The Manager and the KGF board will continue to work closely with individual investees in the coming year, while also continuing to search for attractive investment opportunities.

Griffon Emose
Managing Director, Kontiki Capital Limited

APPENDIX

KINETIC GROWTH FUND LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2019
Profit and Loss Statement

Particulars	**2018 KGF (MGMT)**	**2019 KGF (MGMT)**
Revenue		
Dividend income	407,510	228,924
Unrealised gain on financial assets	630,985	603,276
Realised gain on sale of investment	1,427	-
Other income	1,208	22,115
Interest on preferences shares	35,342	
	1,076,472	**854,315**
Gross Profit	**1,076,472**	**854,315**
Administration fees	7500	7,500
Accounting and Auditors remuneration	10872.75	30,260
Bank charges	107.2	115
Directors fees	7500	7,500
Impairment loss on financial assets	375000	50,000
Unrealised loss on financial assets	378005.68	590,425
Listing and share registry fees	8279.65	6,242
Management fees - Kontiki Capital Limited	39950.01	40,018
Performance fees - Kontiki Capital Limited	255826.9	16,558
Other expenses(AGM,Printing, Brokerage, Other)	10465.89	10,737
Total Expenses	1,093,508	759,355
Profit/(Loss) from operations	**(17,036)**	**94,960**
Finance income	0	64,318
Profit/(Loss) before income tax	**(17,036)**	**159,278**
Income tax expense/(benefit)	(16,017)	(95,164)
Net Profit/(Loss) after income tax	**(1,019)**	**254,442**

KINETIC GROWTH FUND LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2019
Statement of Financial Position

	2018 KGF (MGMT)	2019 KGF (MGMT)
Non-Current Assets		
Assets held for sale	2,585,714	3,299,622
Investment in Subsidiary	274,256	224,256
Investment in associate	300,000	300,000
Provision for impairment	362,510	-
Total Non-Current Assets	**3,522,480**	**3,823,878**
Current Assets		
Cash and cash equivalents	425,264	255,573
Receivables from related parties	-	41,124
Other Assets	25,629	65
Prepayments		
Total Current Assets	**450,893**	**296,762**
Total Assets	**3,973,373**	**4,120,640**
Equity and Liabilities		
Shareholders Equity		
Shareholder's capital	3,572,557	3,807,261
Current year earnings	(1,019)	254,442
Retained earnings	48,928	(23,685)
Dividends paid	(71,595)	-
Total Shareholders Equity	**3,548,871**	**4,038,018**
Non-current Liabilities		
Deferred tax liabilities	127,907	32,743
Total non-current liabilities	**127,907**	**32,743**
Current Liabilities		
Trade and other payables	14,623	20,662
Payable to related parties	267,472	29,218
Provision for tax	14,501	-
Total current liabilities	**296,596**	**49,880**
Total liabilties	**424,503**	**82,623**
Total equity and liabilities	**3,973,373**	**4,120,641**

In accordance with a resolution of the Board, the Directors present their report on the consolidated entity (Kinetic Growth Fund Limited and its subsidiary) consisting of the Kinetic Growth Fund Limited ("the Company") and its subsidiary (collectively as "the Group") as at 31 December 2019. Financial comparisons used in this report are the results for the year ended 31 December 2019 compared with the year ended 31 December 2018.

The historical financial information included in this Directors Report has been extracted from the Audited Consolidated Financial Statements accompanying this Directors Report.

Information in this Directors Report is provided to enable shareholders to make an informed assessment of the operations, financial position, performance and other aspects of the Group and whether the Group are a going concern.

Principal Activity

The principal activity of the Company is to invest shareholders funds in private equity projects and shares with the objective of generating high growth returns for shareholders over the long term. This involves identifying suitable investments, negotiating with and conducting due diligence on prospects, investing shareholders funds and managing investments on an ongoing basis. The subsidiary is involved advertising, marketing and new media agency focused on integrated online and offline communication strategies. There has been no change in the principal activities of the Group during the year.

Review and Results of Operations

The Group's operating profit for the year attributable to members of the Company was $127,840 (2018: $86,877) after an income tax benefit of $98,889 (2018: income tax expense $20,506).

- Our Strategy

  Our strategy is focused on maximising shareholder value through exposure mainly through carefully selected private and public equity opportunities. Our strategy is based on several pillars:

  - Employing a disciplined and rigorous analysis process aimed at identifying businesses with strong potential and exploiting inefficiencies that exist in the market;
  - Developing private equity opportunities to ensure a strong and diversified flow of investments to choose from, and successfully closing the transactions that meet the Company's criteria;
  - Developing and maintaining strong relationships with investee companies to allow the Manager, Kontiki Capital Limited ("KCL") to stay abreast of developments, work closely with investees to realise their potential and anticipate and quickly resolve any problems;
  - Partnering with other institutions for co-investment to access a wider range of investments and spread risks;
  - Implementing exit routes such as stock exchange listings to allow the Company to realise returns at the appropriate time and recycle money into new opportunities; and
  - Invest generally over a long-term horizon to fully realise investment returns.

- Our priorities this year

  In FY2019, priorities identified within our strategy were as follows:

  - Continue to grow Net Tangible Asset per share;
  - Expand the investment portfolio with profitable opportunities that will benefit from patient capital; and
  - Invest generally over a long-term horizon to fully realise investment returns.

- Our priorities this year

  Looking ahead, our priorities in FY2020 will remain essentially the same as was with FY2019.

- Key statistics

	Group
Number of Employees	12
Revenue	713,751
Total Assets	4,612,931
Net Profit	95,574

Dividends

During the year no dividend has been declared or paid by Directors (2018: $0.02 per share totaling $71,595).

Significant changes in the state of affairs

During the year:

- The Company in the final quarter of 2019 committed to invest a total of $0.25 million in Island Quarries Pte Limited ("IQL") wholly in convertible notes. Of this commitment, Kinetic Growth Fund Limited had invested a total of $0.17 million with a remaining balance of $0.08 million expected to be invested by 31 December 2020.

Subsequent Events

1) Subsequent to end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020.

   We have not seen a significant impact on our business to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report however they will have an impact on our earnings, cash flow and financial condition.

   It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses.

   The consolidated financial statements have been prepared based upon conditions existing at 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to consolidated financial statements as at 31 December 2019 for the impacts of COVID-19.

   The Directors are not aware of any other matters or circumstance that have arisen since the end of the financial year, that, in their opinion, has significantly affected, or may significantly affect the Group in the future years.

2) The Company's investee company, Island Quarries Limited suffered a tragic landslide in which 3 key members of staff lost their lives on 20 March 2020. Operations at the quarry have since been suspended to allow for the investigations by the Mineral Resources Department of Fiji. These investigations remain open to date.

3) Pending the completion of audit and release of the Group's consolidated financial statements, trading of the Company's shares was temporarily suspended on the South Pacific Stock Exchange ("SPX").

The Directors are not aware of any other matters or circumstance that has arisen since the end of the financial year, that, in their opinion, has significantly affected, or may significantly affect the Group in the future years.

Details of Directors and executives

Directors of the Company during the financial year and up to the date of this report were:

Erik Larson
Jack Lowenstein
Philipp Thomas
Andy Yuen (appointed on 15th January 2020)

Details of Directors shareholdings in the Company as at 31 December 2019 are shown in the table below:

Director	Number of shares held
Erik Larson	39,727
Jack Lowenstein	89,599
Philipp Thomas	453,604
Andy Yuen	10,000

Board and Committee meeting attendance

Details of the number of meetings held by the Board during the financial year ended 31 December 2019, and attendance by the Board members, are set out below:

Director	Number of meetings	
	A	B
Erik Larson	3	3
Jack Lowenstein	3	3
Philipp Thomas	3	3

Column A: number of meetings held while a member
Column B: number of meetings attended

Auditor's Independence

The Directors have obtained an independence declaration from the Group's auditor, Ernst & Young. A copy of the auditor's independence declaration is set out in the *Auditor's Independence Declaration to the Directors* of the Group on page 6.

This report is made on the 10th day of September 2020 in accordance with a resolution of the Directors.

Erik Larson
Chairperson

....

DIRECTORS DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2019

This Directors Declaration is required by the Companies Act, 2015 ("the Act").

The Directors of the Group have made a resolution that declared:

(a) In the Directors opinion, the consolidated financial statements and notes of the Group for the financial year ended 31 December 2019:

  (i) give a true and fair view of the financial position of the Group as at 31 December 2019 and of the performance of the Group for the year ended 31 December 2019; and

  (ii) have been made out in accordance with the Act.

(b) they have received declarations as required by the section 395 of the Act; and

(c) at the date of this declaration, in the Directors opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed for and on behalf of the Board of Directors.

....
Erik Larson
Chairperson
10 September 2020
Suva, Fiji

Pacific House
Level 7
1 Butt Street Suva Fiji
PO Box 1359 Suva Fiji

Tel: +679 331 4166
Fax: +679 330 0612
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Auditor's Independence Declaration to the Directors of Kinetic Growth Fund Limited and its subsidiary

As lead auditor for the audit of Kinetic Growth Fund Limited and its subsidiary for the financial year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Kinetic Growth Fund Limited and its subsidiary during the financial year.

Ernst & Young
Chartered Accountants

Steven Pickering
Partner
Suva, Fiji

10 September 2020

Pacific House
Level 7
1 Butt Street Suva Fiji
PO Box 1359 Suva Fiji

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ey.com

Independent Audit Report

To the shareholders of Kinetic Growth Fund Limited

Report on the Financial Statements

Opinion

We have audited the consolidated financial statements of Kinetic Growth Fund Limited and its subsidiary (collectively "the Group"), which comprise the consolidated statement of financial position of the Group as at 31 December 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than the provision of assurance services in our capacity as auditor, we have no relationship with, or interest in, the Group. Partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group.

Emphasis of Matter

We draw attention to Note 23 of the consolidated financial report which notes the World Health Organisation's declaration of the outbreak of COVID-19 as a global pandemic subsequent to 31 December 2019 and how this has been considered by the Directors in the preparation of the consolidated financial report. As set out in Note 23, no adjustments have been made to the consolidated financial statements as at 31 December 2019 for the impacts of COVID-19. Our opinion is not modified in respect of this matter.

Independent Audit Report continued

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description on how our audit addressed the matters is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report, including in relation to the key audit matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Valuation of unquoted investments

Why significant	How our audit addressed the key audit matter
As at 31 December 2019, the Group held an investment in unquoted financial assets amounting to $1,210,872. This represents 26% of the total assets of the Group. Disclosures in relation to this investment are included in Note 9 of the consolidated financial statements. For investments where there is no active market, the determination of fair value generally involves significant judgment and estimation. Potential valuation techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis or share of net assets in the companies in which investments are held. The Group used the net asset value of the investee company at 30 September 2019 as the principal basis to determine the fair value of its unquoted investment at 31 December 2019. Movements in fair value during the year of these financial assets have been recognised in the consolidated Statement of Profit or Loss and Other Comprehensive Income.	In obtaining sufficient appropriate audit evidence we: ► Obtained an understanding of the Group's process and valuation techniques used in determining the fair value of the unquoted investment; ► Obtained the audited financial statements as at 30 September 2019 and recalculated the movement in net asset value recorded in the Group's consolidated financial statements. We also assessed the financial performance of the investee company between the date of the audited financial statements and the date of the Group's consolidated financial statements by consideration of its unaudited financial reporting information for that period to assess whether the use of net assets remained a valid valuation basis; ► Obtained confirmation from the investee company of the number of shares held by the Group;

Independent Audit Report continued

Valuation of unquoted investments continued

Why significant	How our audit addressed the key audit matter
	► Evaluated whether the fair value measurements were in accordance with IFRS; and ► Assessed whether the disclosures made in respect of the valuation of the unquoted investment were in accordance with IFRS 13.

Other Information

The Directors and management are responsible for other information. The other information comprises the information in the Group's Annual Report for the year ended 31 December 2019 but does not include the consolidated financial statements and the Auditor's Report thereon.

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

In connection with our audit of the consolidated 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 consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work performed, 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.

Responsibilities of the Directors and management for the consolidated Financial Statements

The Directors and management are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and for such internal control as management and the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management and the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management and the Directors either intend to liquidate the Group to cease operations, or have no realistic alternative but to do so.

The Directors and management are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 ISA will always detect a material misstatement when it exists. Misstatement 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.

Independent Audit Report continued

Auditor’s Responsibilities for the Audit of the consolidated Financial Statements continued

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the Directors.

- Conclude on the appropriateness of management and 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 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 consolidated 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 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 consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with management and 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 are also required to provide the Directors and management 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, related safeguards.

Independent Audit Report continued

Auditor's Responsibilities for the Audit of the consolidated Financial Statements continued

From the matters communicated with the Directors and management, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the consolidated financial statements have been prepared in accordance with the requirements of the Companies Act 2015 in all material respects, and:

i) we have been given all information, explanations and assistance necessary for the conduct of the audit; and

ii) the Group has kept financial records sufficient to enable the consolidated financial statements to be prepared and audited.

Ernst & Young
Suva, Fiji

Steven Pickering
Partner
Level 7, Pacific House
1 Butt Street
Suva, Fiji.

10 September 2020

KINETIC GROWTH FUND LIMITED and its subsidiary
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Group 2019 $	Group Restated* 2018 $
Operations			
Rendering of services		399,671	720,903
Cost of sales		(143,797)	(145,472)
Gross profit		255,874	575,431
Other income	3(a)	277,169	444,818
Depreciation and amortisation		(59,380)	(4,210)
Employee benefits expense	3(c)	(305,954)	(293,583)
Other operating expenses	3(b)	(157,545)	(565,235)
Profit before interest and tax		10,164	157,221
Finance income	3(d)	36,911	5,699
Finance costs	3(e)	(21,271)	(195)
Share of loss from investment in associate	8	(29,119)	(29,246)
(Loss)/ profit before income tax		(3,315)	133,479
Income tax benefit/ (expense)	4(a)	98,889	(20,506)
Profit from continuing operations		95,574	112,973
Other comprehensive income		-	-
Total comprehensive income for the year		95,574	112,973
Attributable to:			
Equity holders of the company		127,840	86,877
Non-controlling interest		(32,266)	26,096
		95,574	112,973
Earnings per share			
• Basic, for profit of the year attributable to ordinary equity holders of the parent	15	$ 0.03	$ 0.03
• Diluted, for profit of the year attributable to ordinary equity holders of the parent	15	$ 0.03	$ 0.03

*Certain amounts shown here do not correspond to the 2018 consolidated financial statements and reflect adjustments made as described in note 24.

The accompanying notes form an integral part of this Consolidated Statement of Profit or Loss and Other Comprehensive Income.

KINETIC GROWTH FUND LIMITED and its subsidiary
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Group	
			Restated*
		2019	2018
		$	$
Retained earnings/ (accumulated losses)			
At 1 January		(48,210)	(63,492)
Total comprehensive income		127,840	86,877
Dividends paid		-	(71,595)
At 31 December		79,630	(48,210)
Non-controlling interest			
At 1 January		66,419	30,323
Non-controlling interests on transfer of shares		-	10,000
Total comprehensive income		(32,266)	26,096
At 31 December		34,153	66,419
Share capital			
At 1 January		3,572,557	3,562,270
Movement during the year		234,704	10,287
At 31 December	14	3,807,261	3,572,557
Total shareholders' equity		3,921,044	3,590,766

*Certain amounts shown here do not correspond to the 2018 consolidated financial statements and reflect adjustments made as described in note 24.

The accompanying notes form an integral part of this Consolidated Statement of Changes in Equity.

KINETIC GROWTH FUND LIMITED and its subsidiary
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	Group 2019 $	Group Restated* 2018 $
Assets			
Current assets			
Cash and cash equivalents	5	310,540	612,700
Trade and other receivables	6	205,690	252,113
Income tax refundable	7	42,968	-
		559,198	864,813
Non-current assets			
Deferred tax asset	4 (d)	15,043	11,318
Investment in associate	8	239,495	268,614
Financial assets	9	3,299,622	2,948,224
Plant and equipment	10	25,034	21,826
Right-of-use assets	11 (a)	474,539	-
		4,053,733	3,249,982
Total assets		4,612,931	4,114,795
Current liabilities			
Trade and other payables	12	158,102	379,074
Employee benefit liability	13	17,683	8,819
Income tax payable	7	-	8,229
Lease liabilities	11 (b)	66,000	-
		241,785	396,122
Non-current liabilities			
Deferred tax liability	4 (d)	32,743	127,907
Lease liabilities	11 (b)	417,359	-
		450,102	127,907
Total liabilities		691,887	524,029
Net assets		3,921,044	3,590,766
Shareholders' equity			
Share capital	14	3,807,261	3,572,557
Retained earning/ (accumulated losses)		79,630	(48,210)
		3,886,891	3,524,347
Non-controlling interest		34,153	66,419
Total shareholders' equity		3,921,044	3,590,766

*Certain amounts shown here do not correspond to the 2018 consolidated financial statements and reflect adjustments made as described in note 24.

The accompanying notes form an integral part of this Consolidated Statement of Financial Position.

KINETIC GROWTH FUND LIMITED and its subsidiary

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

		Group	
			Restated*
		2019	2018
		$	$
Operating profit		95,574	112,973
Adjustments for non-cash items			
Depreciation of plant and equipment		5,689	4,210
Depreciation of right-of-use assets		53,691	-
Realised gain on disposal of financial assets		-	(1,427)
Unrealised gain on financial assets		(12,851)	-
Unrealised loss on financial assets		-	122,021
Interest on loan		(21,721)	195
Expected credit losses		(3,723)	3,828
Employee benefits accrued		8,864	66
		125,523	241,866
Changes in assets and liabilities:			
Decrease/ (increase) in trade receivable and other receivables		66,843	(110,754)
(Increase) in deferred tax assets		(3,725)	(994)
(Decrease) in deferred tax liabilities		(95,164)	(3,701)
Increase in trade and other payables		76,697	35,026
(Decrease) in income tax payable		(51,197)	(12,776)
Cash flows provided by in Operating Activities		118,977	148,667
Investing activities			
Payments for plant and equipment		(8,897)	(17,209)
Proceeds from disposal of financial assets		-	399,568
Payments for financial assets		-	(336,362)
Investment in equity securities, net of cash acquired		(311,508)	(300,000)
Disposal proceeds from equity securities		-	10,000
Cash flows (used in) Investing Activities		(320,405)	(244,003)
Financing activities			
Net (Payments)/ receipts with related parties		(55,861)	103,614
Lease payments - principal portion only		(44,871)	-
Dividends paid		-	(71,595)
Payments for shares repurchased		-	(3,558)
Proceeds from share issue		-	13,845
Net cash flows (used in)/ provided by Financing Activities		(100,732)	42,306
Net (decrease) in cash and cash equivalents		(302,160)	(53,029)
Cash and cash equivalents at 1 January		612,700	665,729
Cash and cash equivalents at 31 December	5	310,540	612,700

*Certain amounts shown here do not correspond to the 2018 consolidated financial statements and reflect adjustments made as described in note 24.

The accompanying notes form an integral part of this Consolidated Statement of Cash Flows.

1. Corporate information

The consolidated financial statements of Kinetic Growth Fund Limited and its subsidiary (collectively "the Group") for the year ended 31 December 2019 were authorised for issue with a resolution of the Directors on 10 September 2020.

Kinetic Growth Fund Limited is a limited liability company incorporated and domiciled in Fiji whose shares are publicly traded on the South Pacific Stock Exchange.

The principal activity of the Company and the Group is outlined in Note 22. Information on related party relationship of the Company and the Group is provided in Note 16.

1.1 Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for equity financial assets that have been measured at fair value. The consolidated financial statements are presented in Fiji dollars, which is the Group's functional and presentation currency, rounded to the nearest dollar.

Statement of compliance

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

1.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Kinetic Growth Fund Limited and its subsidiary, Oceanic Communications Pte Limited ("OCL") as at 31 December 2019.

Subsidiary

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 December 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of the voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from the other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

1.2 Basis of consolidation *continued*

Subsidiary *continued*

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

1.3 Changes in Significant accounting Policies

New and amended standards and interpretations

The Group applied IFRS 16 *Leases* for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 16 Leases

IFRS 16 supersedes IAS 17 *Leases* , IFRIC 4 *Determining whether an Arrangement* contains a Lease, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease* . The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 does not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The effect of adoption IFRS 16 as at 1 January 2019 increase is, as follows:

Assets	$
Right-of-use assets	528,230
Total assets	528,230
Liabilities	
Lease liabilities	528,230
Total liabilities	528,230

The Group has lease for land and building. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as an operating lease. Refer to Note 11 Leases for the accounting policy prior to 1 January 2019.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

1.3 Changes in Significant accounting Policies *continued*

IFRS 16 Leases *continued*

- Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e. the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 were applied to these leases from 1 January 2019.

- Leases previously accounted for as operating leases

The Group recognised right-of-use assets ("ROU assets") and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of an incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 January 2019:

- Right-of -use assets of $528,230 were recognised and presented separately in the statement of financial position.
- Lease liabilities of $528,230 were recognised and presented separately in the statement of financial position.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

Assets	$
Operating lease commitments as at 31 December 2018	649,000
Weighted average incremental borrowing rate as at 1 January 2019	4%
Discounted operating lease commitments as at 1 January 2019	528,320
Lease liabilities as at 1 January 2019	528,320

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

1.3 Changes in Significant accounting Policies *continued*

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment *continued*

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiary's tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Interpretation did not have an impact on the consolidated financial statements of the Group.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the consolidated financial statements.

Annual Improvements 2015-2017 Cycle

- *IFRS 3 Business Combinations*

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where joint control is obtained.

1.3 Changes in Significant accounting Policies *continued*

Annual Improvements 2015-2017 Cycle *continued*

- *IFRS 11 Joint Arrangements*

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

- *IAS 12 Income Taxes*

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period.

Since the Group’s current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

- *IAS 23 Borrowing Costs*

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

Since the Group’s current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

1.4 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendment to IFRS 3: Definition of a Business

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

1.4 Standards issued but not yet effective *continued*

Amendment to IFRS 3: Definition of a Business continued

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IAS 1 and IAS 8: Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'.

The amendments to the definition of material is not expected to have a significant impact on the Group's consolidated financial statements.

1.5 Summary of significant accounting policies

(a) Foreign currencies

Foreign currency transactions are translated to Fiji dollars at rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies are converted to Fiji currency at the rates of exchange ruling at the statement of financial position date. All exchange gains or losses whether realised or unrealised are included in the profit or loss.

(b) Financial instruments

(i) Recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

1.5 Summary of significant accounting policies *continued*

(b) Financial instruments *continued*

(ii) Classification and measurement *continued*

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and demonstrate why those sales do not reflect a change in the Group's business model.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

1.5 Summary of significant accounting policies *continued*

(b) Financial instruments *continued*

(ii) Classification and measurement *continued*

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest *continued*

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Financial assets: Subsequent measurement and gains and loss

Financial assets that are measured at amortised costs
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the profit or loss. Any gain or loss on derecognition is recognised in the profit or loss.

Financial assets that are measured at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial liabilities classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or loss on derecognition is also recognised in the profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets In these cases the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

1.5 Summary of significant accounting policies *continued*

(b) Financial instruments *continued*

(iv) Modification of financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (1.5 (b) (iii)) and a new financial asset is recognised at fair value.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(c) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of the plant and equipment when that cost in incurred, if the recognition criteria is met. When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation respectively.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

Plant and equipment	10% - 30%
Furniture and fittings	12%
Office equipment	10% - 30%
Computer equipment	18%

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

(d) Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group’s investment in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

1.5 Summary of significant accounting policies *continued*

(d) Investment in associate *continued*

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'share of profit in associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(e) Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- other receivables and cash at bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

1.5 Summary of significant accounting policies *continued*

(e) Impairment *continued*

(i) Non-derivative financial assets *continued*

The Group considers cash balance to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

<u>Measurement of ECLs</u>

ECLs are a probability-weighted estimate of credit losses. They are measured as follow:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive); and
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

<u>Credit-impaired financial assets</u>

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for a security because of financial difficulties.

<u>Presentation of allowance for ECL in the statement of financial position</u>

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

<u>Write-off</u>

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

1.5 Summary of significant accounting policies *continued*

(e) Impairment *continued*

(ii) Non - financial assets

The carrying amounts of the Group's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit, or CGU”).

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount cannot exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

(f) Trade receivables

Trade receivables are recognised at original invoice amount (inclusive of VAT) less any provision for estimated credit loss. Bad debts are written off during the year in which they become known.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(h) Trade payables

Liabilities for trade payables and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Group.

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(j) Income tax

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date at the reporting date in the country where the Company operates and generates taxable income.

1.5 Summary of significant accounting policies *continued*

(j) Income tax *continued*

Current Income Tax continued

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that it is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes related to the same taxable group or entity and the same taxation authority.

1.5 Summary of significant accounting policies *continued*

(j) Income tax *continued*

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and

ii) When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(k) *Employee entitlements*

Provisions are made for wages and salaries, incentive payments and annual leave estimated to be payable to employees at balance date on the basis of statutory and contractual requirements.

(l) *Revenue*

i) Interest revenue and expense

Interest revenue and expense are recognised in the statement of comprehensive income for all interest-bearing financial instruments using the effective interest method.

ii) Dividend revenue and expense

Dividend revenue is recognised on the date when the Fund's right to receive the payment is established. Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income. Dividend expense relating to equity securities sold short is recognised when the shareholders' right to receive the payment is established.

iii) Net gain or loss on financial assets and liabilities at fair value through profit or loss

Net gains or losses on financial assets and liabilities at FVPL are changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as at FVPL and exclude interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of the prior period's unrealised gains and losses for financial instruments which were realised in the reporting period. Realised gains and losses on disposals of financial instruments classified as at FVPL are calculated using the first-in, first-out (FIFO) method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

(m) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

1.5 Summary of significant accounting policies *continued*

(m) Fair value measurement *continued*

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Consistent with established practice in Fiji, listed equity investments are measured at the closing share price on the South Pacific Stock Exchange at each reporting date.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: fair value is calculated using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value is estimated using inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: fair value is estimated using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(n) Expenses

Administration fees

Payable to Kontiki Portfolio Services Pte Limited during the financial year and are charged at a transaction rate according to the Administration agreement.

Management fees

Management fees are payable to Kontiki Capital Pte Limited. Management fee is calculated at 0.083% of the Net Asset Value (NAV) of the fund per month.

Performance fees

Performance fees are payable to the Manager, Kontiki Capital Pte Limited. The Manager is entitled to receive performance fees if the investment return for the year is greater than 5%. The investment return is calculated by the average movement in the Net Asset Value and the share price of the company for a 12 month period ending 31 December. The performance fees are payable in the form of ordinary shares issued by the company.

Interest expense

Interest expense is recognised using the effective interest method.

1.5 Summary of significant accounting policies *continued*

(o) Leases

Group as lessee

The Group has a lease contract for land and building. The lease term for the land and building is for a term of 5 years.

The Group's lease contracts include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

For a qualifying lease, a right-of-use asset and lease liability based on the present value of future lease payments which excludes payments of a variable nature is now recognised. The Group therefore uses Incremental Borrowing Rates (IBRs) to discount the future value of lease payments. The IBR denotes the rate of interest that a lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to purchase an asset of a similar value to the right of use asset in a similar economic environment.

Lease payments (excluding payments for short-term, low-value and variable consideration leases), reduce the lease liability. The straight-line depreciation of the right-of-use asset is expensed within profit or loss. As the lease liability is carried at present value, an interest expense arises over the duration of the lease term.

(p) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.
A liability is current when:
- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its clarification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(q) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current year.

(r) Geographical segment

The Company and the Group operate only in Fiji and is therefore one geographical area for reporting purposes.

1.6 Significant accounting judgments, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant task of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimates and assumptions

Valuation of unquoted financial assets

The Group records financial assets at fair value including unquoted equities. For investments where there is no active market, fair value is determined using the valuation techniques involving significant judgement and estimation. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis or share of net assets in the companies in which investments are held. Movements in fair value during the year have been recognised in the profit or loss.

Taxes

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long term nature and the complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provision is based on various factors, such as experience of previous audit and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arises on a wide range of issues depending on the conditions prevailing in the Group's country of domicile.

Significant judgements and estimates relating to the application of IFRS 16

The application of IFRS 16 requires the Group to make judgments and estimates that affect the measurement of right-of-use assets and liabilities in determining the lease term, we must consider all facts and circumstances that create an economic incentive to exercise renewal options (or not exercise termination options). Assessing whether a contract includes a lease also requires judgment. Estimates are required to determine the appropriate discount rate used to measure lease liabilities.

2. REVENUES

The Company revenues investment related returns including dividends from ordinary and preference shares, realised and unrealised gains in the value of investments. Interest from termed and cash deposits held with financial institutions.

Revenue from subsidiary company is related to services provided. These services includes advertising, marketing and new media agency focused on integrated online and offline communication strategies.

		Group	
		2019	2018
3.	OPERATING PROFIT	$	$

Operating profit before income tax has been determined after charging/crediting:

		2019	2018
(a)	Other income		
	Dividends	228,924	407,510
	Net unrealised gain on financial assets	12,851	-
	Gain on sale of shares	-	1,427
	Other income	35,394	35,881
		277,169	444,818
(b)	Other expenses		
	Accounting services	22,360	6,387
	Administration fees	7,500	7,500
	Auditors remuneration - audit services	16,310	16,310
	Directors fee	7,500	7,500
	Movement in expected credit loss	(3,723)	3,828
	Listing and share registry fees	6,242	8,280
	Management fees	40,018	39,950
	Other expenses	44,780	97,632
	Performance fees	16,558	255,827
	Net unrealised loss on financial assets	-	122,021
		157,545	565,235
(c)	Employee benefits expenses		
	Staff costs	305,954	293,583
(d)	Finance income		
	Interest income	36,911	5,699
(e)	Finance costs		
	Interest expense	21,271	195

4. INCOME TAX

(a) A reconciliation between tax expense and the product of accounting (loss)/ profit multiplied by the tax rate for the years ended 31 December 2019 and 2018 is as follows:

	$	$
Accounting (loss)/ profit before income tax	(3,315)	133,479
Prima facie tax (benefit)/ expense thereon at 10%	(332)	13,348
Differential in tax rate for subsidiary		
Non-assessable items	(26,484)	21,328
Non-deductible items	(30,074)	(20,192)
Current year losses not recognised	3,250	-
Under/ (over) provision in prior year	31,285	(3,934)
Restatement of deferred tax liability	(76,534)	-
Others	-	9,956
Income tax (benefit)/ expense	(98,889)	20,506

		Group	
		2019	2018
4	INCOME TAX *continued*	$	$
(b)	*Current income tax:*		
	Current income tax expense	(98,889)	20,506
	Income tax (benefit)/ expense reported	(98,889)	20,506

(c) Deferred tax asset on tax losses

Deferred tax assets $Nil (2018: $Nil) attributable to carry forward losses has not been brought to account as at 31 December 2019.

(d) *Deferred tax*
Deferred income tax at 31 December relates to the following:

	$	$
Deferred tax liability		
Expected credit losses	8,594	9,339
Employee entitlements	3,537	1,764
Accelerated depreciation for book purposes	1,148	215
Leases	1,764	-
Unrealised gain on investments	(32,743)	(127,907)
	(17,700)	(116,589)
Disclosed in the Statement of Financial Position:		
Deferred tax asset	15,043	11,318
Deferred tax liability	(32,743)	(127,907)
Net deferred tax liability	(17,700)	(116,589)

5. CASH AND CASH EQUIVALENTS

Cash at bank	60,890	193,419
Short term deposit	258,715	371,204
Kontiki Portfolio Trust	(9,065)	48,077
	310,540	612,700

Cash at bank earns interest at floating rates based on daily bank deposit rates. For the purposes of the consolidated Statement of Cash Flows, cash and cash equivalents are the same.

Term deposit is held with Bred Bank with an original term of 3 months ending 5 March 2020. This Term Deposit bears an annual interest rate of 3.35% on a rollover basis.

6. TRADE AND OTHER RECEIVABLES	$	$
Current		
Trade receivables	203,045	286,174
Less: Allowance for expected credit loss	(42,973)	(46,696)
	160,072	239,478
Other receivables	14,263	12,635
Receivable from related parties (Note 16 (c))	31,355	-
	205,690	252,113

Trade and other receivables are non-interest bearing and are generally on 30-90 day terms. At 31 December, trade receivables for the Group were impaired $42,973 (2018: $46,696).

6. TRADE AND OTHER RECEIVABLES *continued*

Movement in the estimated credit loss were as follows:

	Group 2019 $	Group 2018 $
At 1 January	46,696	42,868
Charge for the year	(3,723)	3,828
At 31 December	42,973	46,696

As at 31 December, the ageing analysis of trade receivables for the Group is as follows:

Year	Total	< 30 days	30 - 60 days	60 - 90 days	> 90 days
	$	$	$	$	$
2019	203,045	38,816	46,982	36,054	81,193
2018	286,174	76,498	58,856	32,099	118,721

7. INCOME TAX REFUNDABLE/(PAYABLE)

	Group 2019 $	Group 2018 $
Income tax refundable	42,968	6,272
Income tax payable	-	(14,501)
Income tax refundable/ (payable)	42,968	(8,229)

8. INVESTMENT IN ASSOCIATE

The Group has a 25% interest in Drone Services (Fiji) Pte Limited at balance date, which is involved in the provision of drone services for mapping and surveying, videography, airspace security, drone-related training and education, drone hire and related equipment sales. The Group's interest in Drone Services (Fiji) Pte Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Drone Services (Fiji) Pte Limited.

	2019 $	2018 $
Current assets	252,451	225,201
Non-current assets	236,334	266,541
Current liabilities	(137,987)	(22,753)
Non-current liabilities	(45,698)	(47,915)
Equity	305,100	421,074
Preference shares - non convertible	(217,500)	(217,500)
Proportion of the Group's ownership	25%	25%
Add: preference shares - non-convertible	217,500	217,500
Carrying amount of the investment	239,495	268,614
Revenue	382,457	255,194
Operating expenses	(481,631)	(313,732)
Finance costs	(2,927)	(5,990)
Loss before tax	(102,101)	(64,528)
Income tax expense	(13,873)	-
Loss for the year	(115,974)	(64,528)
Portion of loss reflected in retained earnings	-	(51,953)
Proportion of the Group's ownership	25%	25%
Group's share of loss for the year	(29,119)	(29,246)

9. FINANCIAL ASSETS

	Group 2019 $	Group 2018 $
Quoted		
FMF Foods Limited	199,687	197,891
Pleass Global Limited	605,080	561,050
Kontiki Finance Limited	859,833	575,984
Fiji Kava Limited	147,977	240,578
Unquoted		
Halabe Investments Pte Limited	1,210,872	1,372,721
Convertible notes		
Fiji Kava Limited	106,173	-
Island Quarries Pte Limited	170,000	-
Total investments	3,299,622	2,948,224

Quoted shares

a) Quoted shares have been designated as fair value through profit or loss.

b) The fair value of the quoted shares is determined by reference to published price quotations in an active market.

Unquoted shares

Unquoted investments have been designated as fair value through profit or loss where fair value can be objectively assessed. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis or share of net assets. These unquoted investments are classified in Level 2 of the fair value hierarchy.

Movements in fair value during the year of $161,849 (2018: $48,711) have been recognised in the profit or loss.

Convertible notes

Convertible notes have been designated as debts instruments at amortised costs.

Investment valuation methods and analysis of key observable inputs is disclosed below:

Halabe Investments Limited

The net assets based approach has been used to value the investment. There are no significant unobservable inputs in the net asset based approach.

Details of financial assets	Place of incorporation	Ownership interest
FMF Foods Limited	Fiji	0.06%
Pleass Global Limited	Fiji	3.45%
Kontiki Finance Limited	Fiji	0.75%
Fiji Kava Limited	Australia	2.00%
Halabe Investments Limited	Fiji	25.00%
Savusavu Harbourside Limited	Fiji	16.61%

9. FINANCIAL ASSETS *continued*

Fair value measurement *continued*

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Fair value measurement hierarchy for assets as at 31 December 2019:

	Date of valuation	Total	Fair value measurement using: Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:		$	$	$	$
Listed equity investments:					
FMF Foods Limited	31/12/2019	199,687	199,687	-	-
Pleass Global Limited	31/12/2019	605,080	605,080	-	-
Kontiki Finance Limited	31/12/2019	859,833	859,833	-	-
Fiji Kava Limited	31/12/2019	147,977	147,977	-	-
Debt investments					
Fiji Kava Limited	31/12/2019	106,173	-	106,173	-
Island Quarries Pte Limited	31/12/2019	170,000	-	170,000	-
Non-listed equity investments:					
Halabe Investments Limited	30/09/2019	1,210,872	-	1,210,872	-

10. PLANT AND EQUIPMENT

Group	Plant and equipment $	Furniture and fittings $	Computer equipment $	Total $
Cost:				
At 1 January 2019	18,121	40,701	37,218	96,040
Additions	-	-	8,897	8,897
	18,121	40,701	46,115	104,937
Depreciation and impairment:				
At 1 January 2019	17,069	22,812	34,333	74,214
Depreciation charge for the year	389	2,389	2,911	5,689
At 31 December 2019	17,458	25,201	37,244	79,903
Net written down value:				
At 31 December 2019	663	15,500	8,871	25,034
At 31 December 2018	1,052	17,889	2,885	21,826

The company does not own any property, plant and equipment at 31 December 2019 (2018: $Nil).

11. LEASES

Group as a lessee

(a) Rights-of-use-assets

Set out below are the carrying amounts of rights-of-use assets recognised and the movement during the period:

	$
As at 1 January 2019	528,230
Depreciation expense	(53,691)
As at 31 December 2019	474,539

(b) Lease Liabilities

Set out below are the carrying amounts of lease liabilities and the movement during the period:

	$
As at 1 January 2019	528,230
Accretion of interest	21,129
Payments made during the year	(66,000)
As at 31 December 2019	483,359
Current	66,000
Non-current	417,359
Total lease liabilities	483,359

The maturity analysis of lease liabilities are disclosed in Note 17.

The following are the amounts recognised in profit or loss:	$
Depreciation expense of right-of-use assets	53,691
Interest expense on lease liabilities	21,129
Total Amount recognised in profit or loss	74,820

The Group had total cash outflows for leases of $66,000.

12. TRADE AND OTHER PAYABLES

		2019 $	2018 $
Trade and other payables	Current	128,884	111,602
Owing to related parties (Note 16 (b))	Current	29,218	267,472
		158,102	379,074
		158,102	379,074

Terms and conditions of the above financial liabilities:

- Trade payables are non- interest bearing and are normally settled on 60-day term;
- Other payables are non- interest bearing and have an average term of six months; and
- For terms and conditions with related parties, refer to Note .

	Group 2019	Group 2018
13. EMPLOYEE BENEFIT LIABILITY	$	$
Balance at 1 January	8,819	8,753
Net movement during the year	8,864	66
Balance at 31 December	17,683	8,819
14. SHARE CAPITAL	$	$
Issued and Paid up Capital		
3,656,907 ordinary shares	3,572,557	3,562,270
5,665 ordinary share (share buy back program)	-	(3,558)
16,289 ordinary shares (dividend reinvestment)	-	13,845
226,245 ordinary shares (performance fee paid)	234,704	-
	3,807,261	3,572,557
15. EARNINGS PER SHARE	$	$
Operating profit after income tax	95,574	112,973
Weighted average ordinary shares at end of the financial year	3,708,088	3,589,653
Basic earnings per share	0.03	0.03

Basic earnings per share amounts are calculated by dividing operating profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the operating profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

16. RELATED PARTY TRANSACTIONS

The consolidated financial statements of the Group include:	Country of incorporation	% equity interest	
Name		2019	2018
Oceanic Communications Pte Limited	Fiji	82%	82%

a) Transactions with related parties

Kontiki Capital Pte Limited provides management services to the Company and Kontiki Portfolio Services Pte Limited also provides administrative services to the Company. Transactions with these entities have taken place in the ordinary course of the business and are subject to commitment agreements.

16. RELATED PARTY TRANSACTIONS *continued*

a) Transactions with related parties *continued*

Amounts charged to/paid to related parties during the financial year were as follows:

			Company	
			2019	2018
Transaction	*Related party*	*Nature of transaction*	$	$
Interest on preference shares	Oceanic Communications	Income	27,407	26,817
Interest on preference shares	Drone Services (Fiji) Pte	Income	36,211	8,525
Purchase of shares	Kontiki Finance Limited	Investment	30,000	10,365
Dividend reinvestment	Kontiki Finance Limited	Investment	36,034	17,417
Interest on preference shares	Island Quarries (Fiji) Pte Limited	Income	700	-
Administration fees	Kontiki Portfolio Services Pte Limited	Expense	7,500	7,500
Management fees	Kontiki Capital Pte Limited	Expense	40,018	39,950
Performance fees	Kontiki Capital Pte Limited	Expense	16,558	255,827

Administration, management and performance fees are subject to commitment agreements between the parties. The details of fees is outlined in Note 1.5 (n).

b) Owing to related parties

The amounts payable as at 31 December to the following related parties are as follows:

		Group	
		2019	2018
		$	$
Administration fees - Kontiki Portfolio Services Pte Limited	Current Liability	1,875	1,875
Management fees - Kontiki Capital Pte Limited	Current Liability	10,785	9,767
Performance fees - Kontiki Capital Pte Limited	Current Liability	16,558	255,830
		29,218	267,472
Disclosed in the financials as:			
Owing to related parties (Note 12)	Current Liability	29,218	267,472
		29,218	267,472

Management and performance fees payables are unsecured and interest free with no fixed term of repayment.

c) Receivables from related parties

The amounts receivable as at 31 December from the following related parties are as follows:

		$	$
Reimbursement of accounting service fees - Kontiki Capital Pte Limited	Current assets	5,025	-
Interest on preference shares - Drone Services Fiji (Pte) Limited	Current assets	25,630	-
Interest on convertible notes - Island Quarries Pte Limited	Current assets	700	-
		31,355	-

16. RELATED PARTY TRANSACTIONS *continued*

d) Compensation of Key Management Personnel of the Group

	Group 2019 $	Group 2018 $
Short- term employee benefits	55,000	39,387
Directors	7,500	7,500
Total compensation paid to key management personnel	62,500	46,887

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

e) Directors

There is no common director between Kinetic Growth Fund Limited and Kontiki Capital Pte Limited.

There is no common director between Kinetic Growth Fund Limited, Kontiki Stockbroking Pte Limited and Kontiki Portfolio Services Pte Limited.

f) Capital management

For the purposes of the Group's capital management, capital includes issued capital and retained earnings.

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return of capital to shareholders, issue new share or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by the total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position.

	Group 2019 $	Group 2018 $
Trade and other payables	158,102	379,074
Less: cash and short-term deposits	(310,540)	(612,700)
Net debt	(152,438)	(233,626)
Equity	3,921,044	3,590,766
Total Capital	3,921,044	3,590,766
Capital and net debt	0%	0%
Gearing ratio		

16. RELATED PARTY TRANSACTIONS *continued*

f) Capital management *continued*

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. there have been no breaches of the financial covenants of any interest- bearing loans and borrowings in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 2018.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, and cash and short term deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's Board of Directors oversees the management of these risks. The group's risk management provides assurance to the Group's Board of Directors that the Group's financial risk activities are governed by appropriate policies and procedures and the financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, is managing a disciplined and constructive control environment in which employees understand their roles and obligation.

Market risk

Market risk is the risk that the fair value or future value cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debts and equity investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 December in 2019 and 2018.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign companies.

The Group is exposed to currency risk through transaction in foreign currencies. This currency mainly include Australian (AUD). As the currency in which the Group presents its financial statements is the Fiji dollar, the Group's financial statements are affected by movements in the exchange rates between these currencies and the Fijian dollar.

Foreign currency sensitivity

A weakening of the Fiji dollar as at 31 December 2019, as indicated below, against the AUD would have decreased equity and the statement of profit or loss and other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2018.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

Foreign currency sensitivity *continued*

The following significant exchange rates were applied during the period.

	Reporting date mid spot rate	
	2019	2018
AUD	0.6651	0.6605
EUR	0.4162	0.4079

	Change in AUD rate	Effect on profit before tax
		$
2019	+ 10%	(24,539)
	- 10%	24,539
2018	+ 10%	(23,020)
	- 10%	23,020

Equity price risk

The Group's listed and non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on days past due and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in notes 6 and 9. The Group evaluates the concentration of risk with respect to trade receivables as low.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

Trade receivables *continued*

Set out below is the information about the credit risk exposure on the Group's Trade receivables using a provision matrix:

31 December 2019	Trade receivables				
	Days past due				
	<30 days	30-60 Days	61- 90 Days	>90 Days	Total
	$	$	$	$	$
Expected credit Loss rate	0%	0%	0%	53%	
Estimated total gross carrying amount at default	38,816	46,982	36,054	81,193	203,045
Expected credit loss	-	-	-	42,973	42,973

31 December 2018	Trade receivables				
	Days past due				
	<30 days	30-60 Days	61- 90 Days	>90 Days	Total
	$	$	$	$	$
Expected credit Loss rate	0%	0%	0%	39%	
Estimated total gross carrying amount at default	76,498	58,856	32,099	118,721	286,174
Expected credit loss	-	-	-	46,696	46,696

Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and lease contracts. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policy and procedures include specific guidelines to focus in the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The Table below summarises the maturity profile of the Group's financial liabilities and lease liabilities based on contractual undiscounted payment:

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

Excessive risk concentration continued

Year ended 31 December 2019	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
	$	$	$	$	$
Trade and other payables	-	-	158,102	-	-
Lease Liabilities (Note 11)	-	16,500	49,500	264,000	319,000
	-	16,500	207,602	264,000	319,000

Year ended 31 December 2018	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
	$	$	$	$	$
Trade and other payables	-	-	379,074	-	-
	-	-	379,074	-	-

18. CAPITAL COMMITMENTS

The Company in the final quarter of 2019 committed to invest a total of $0.25 million in Island Quarries Pte Limited ("IQL") wholly in convertible notes. Of this commitment, Kinetic Growth Fund Limited had invested a total of $0.17 million with a remaining balance of $0.08 million owing as at 31 December 2019.

	Group	
	2019	2018
	$	$
Committed investment into Island Quarries Pte Limited	250,000	-
Less: total amount invested	(170,000)	-
	80,000	-

19. CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 31 December 2019 (2018: Nil).

20. SEGMENT INFORMATION

Business Segments

2019	Investment KGF $	Information Technology OCL $	Eliminations $	Consolidated $
Total revenue	-	399,671	-	399,671
Other income	263,890	13,279	-	277,169
Profit/ (loss) before tax and non-controlling interest	98,773	(183,474)	81,386	(3,315)
Total assets	4,120,640	786,828	(294,537)	4,612,931
Total liabilities	82,623	619,033	(9,769)	691,887

20. SEGMENT INFORMATION *continued*

Business Segments *continued*

	Investment KGF $	Information Technology OCL $	Eliminations $	Consolidated $
Total revenue	-	720,903	-	720,903
Other income	445,487	34,674	(35,343)	444,818
(Loss)/ profit before tax and non-controlling interest	(17,036)	181,902	(31,387)	133,479
Total assets	3,973,373	478,693	(337,272)	4,114,795
Total liabilities	424,503	131,156	(31,630)	524,029

21. COMPANY DETAILS

Company incorporation

The Company is a public company, incorporated in Fiji under the Fiji Companies Act, 2015 and domiciled in Fiji.

Subsidiary Oceanic Communications Pte Limited is a private company, incorporated in Fiji under the Fiji Companies Act, 2015 and domiciled in Fiji.

Registered office and principal place of business

The Company's registered office is located at Level 2, Provident Plaza 1, 33 Ellery Street, Suva.

Subsidiary - Oceanic Communications Pte Limited's registered office is located at Garden City Complex, Carpenter Street, Raiwai, Suva.

22. PRINCIPAL ACTIVITY

The principal activity of the Company is to invest shareholders' funds in private equity projects and shares with the objective of generating high growth returns for shareholders over the long term. This involves identifying suitable investments, negotiating with and conducting due diligence on prospects, investing shareholders funds and managing investments on an ongoing basis. The subsidiary is involved advertising, marketing and new media agency focused on integrated online and offline communication strategies. There has been no change in the principal activities of the Group during the year.

23. SUBSEQUENT EVENTS

Subsequent to end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020.

We have not seen a significant impact on our business to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report however they will have an impact on our earnings, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak’s near-term and longer effects or Governments’ varying efforts to combat the outbreak and support businesses.

The consolidated financial statements have been prepared based upon conditions existing at 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to consolidated financial statements as at 31 December 2019 for the impacts of COVID-19.

24. RESTATEMENT OF 2018 FINANCIAL STATEMENT

The Group has 25% interest in the ordinary shares in Drone Services Limited (‘the investee”), which is involved in sale and hiring of commercial drones, drone detection security and jamming systems and surveying solutions. After considering the investee’s preference shares held by the Group, the investee was treated as a subsidiary and consequently was fully consolidated in the accounts of the Group for the year ended 31 December 2018. However, considering all relevant facts and circumstances and the arrangements between the Group and the investee, the Group only has ‘significant influence’ over the investee. Therefore, The Group’s investment in Drone Services Limited should be accounted for using the equity method as described under the note 8.

On this basis the opening balances of the statement of financial position, the statement of profit or loss and other comprehensive income and the statement of changes in equity were restatement as follows:

		Group	
	2018 Restated	2018 Previously reported	2018 Increase/ (decrease)
	$	$	$
Statement of financial position			
Cash and cash equivalents	612,700	627,124	(14,424)
Trade and other receivables	252,113	461,623	(209,510)
Total current assets	864,813	1,088,746	(223,933)
Investment in associate	268,614	-	268,614
Plant and equipment	21,826	288,367	(266,541)
Total non-current assets	3,249,982	3,247,909	2,073
Total assets	4,114,795	4,336,656	(221,861)
Trade and other payables	379,074	385,233	(6,159)
Interest bearing borrowings	-	15,836	(15,836)
Income tax payable	8,229	6,962	1,267
Total current liabilities	396,122	416,849	(20,727)
Trade and other payables	-	12,872	(12,872)
Interest bearing borrowings	-	35,800	(35,800)
Total non-current liabilities	127,907	176,579	(48,672)
Total liabilities	524,029	593,430	(69,401)
Accumulated losses	(48,210)	(84,930)	36,720
Non-controlling interest	66,419	255,599	(189,180)
Total shareholders' equity	3,590,766	3,743,226	(152,460)
Statement of changes in equity			
Accumulated losses	(48,210)	(84,930)	36,720
Non-controlling interest	66,419	255,599	(189,180)
Total shareholders' equity	3,590,766	3,743,226	(152,460)

24. RESTATEMENT OF 2018 FINANCIAL STATEMENT *continued*

		Group	
	2018 Restated	2018 Previously reported	2018 Increase/ (decrease)
	$	$	$
Statement of profit or loss and other comprehensive income			
Rendering of services	720,903	976,097	(255,194)
Cost of sales	(145,472)	(206,053)	60,581
Gross profit	575,431	770,044	(194,613)
Other operating income	444,818	1,075,804	(630,986)
Depreciation and amortisation	(4,210)	(38,385)	34,175
Employee benefits expense	(293,583)	(326,788)	33,205
Other operating expenses	(565,235)	(1,382,677)	817,442
Profit before interest and tax	157,221	97,997	59,224
Finance income	5,699	-	5,699
Finance costs	(195)	(6,185)	5,990
Share of loss from investment in associate	(29,246)		(29,246)
Profit before income tax	133,479	91,813	41,666
Profit from continuing operations	112,973	71,307	41,666
Total comprehensive income for the year	112,973	71,307	41,666
Statement of cash flow			
Operating profit	112,973	71,307	41,666
Depreciation of plant and equipment	4,210	38,385	(34,175)
Realised gain on disposal of financial assets	(1,427)	(1,427)	0
Unrealised gain on financial assets	-	(630,985)	630,985
Unrealised currency gains/(losses)	-	11	(11)
Impairment loss on financial assets	-	375,000	(375,000)
Unrealised loss on financial assets	122,021	378,006	(255,985)
Interest on loan	-	5,990	(5,990)
Changes in assets and liabilities:			-
(Increase) in trade receivable and other receivables	(110,754)	(135,044)	24,290
(Decrease)/ increase in deferred tax liabilities	(3,506)	54	(3,560)
Increase in trade and other payables	35,026	41,185	(6,159)
(Decrease) in income tax payable	(12,776)	(14,043)	1,267
Cash flows provided by in Operating Activities	148,667	131,339	17,328
Investing activities			
Payments for plant and equipment	(17,209)	(105,282)	88,073
Investment in equity securities, net of cash acquired	(300,000)	692	(300,692)
Cash flows (used in) Investing Activities	(244,003)	(31,384)	(212,619)
Financing activities			
Net receipts/ (payments) with related parties	103,614	(117,987)	221,601
Net repayments of interest bearing borrowings	-	(16,317)	16,317
Proceeds from share issue	13,845	70,896	(57,051)
Net cash flows provided by/ (used in) Financing Activities	42,306	(138,561)	180,867
Net (decrease) in cash and cash equivalents	(53,029)	(38,605)	(14,424)

Other information

Listing requirements of the South Pacific Stock Exchange (not included elsewhere in this consolidated financial statements)

(a) Statement of interest of each Director and Senior Management in the share capital of the company or in a related Corporation as at 31 December 2019 in compliance with Listing Requirements:

Mr. Jack Lowenstein (Indirect interest: Ludwigson Holdings Pty Limited) - 89,599 shares in Kinetic Growth Fund

Mr. Erik Larson (Direct Interest) - 39,727 shares (from which 26,452 shares is joint owned with Amy Lynn Bergquist, Karla Larson Wadd and JTWROS) and 51,176 shares in Kinetic Growth Fund Limited (Indirect interest - Amy Lynn Bergquist).

Mr. Philipp Thomas (Indirect Interest: Aequi-Libria Associates Insurance Broker Ltd) - 453,604.

(b) Shareholding of those persons holding the 20 largest blocks of shares

Shareholders	No of shares
Platinum Insurance Limited	1,145,638
Aequi-Libria Associates Insurance Broker Ltd	453,604
FNPF Board	363,930
BSP Life (Fiji) Limited	281,800
FHL Media Limited	200,000
Hari Punja & Sons Limited	194,150
Carlisle (Fiji) Limited	144,150
Ludwigson Holdings Pty Ltd	89,599
Jimaima T Schultz	86,459
Ken Kung	52,293
Amy Lynn Bergquist	51,176
N S Niranjans Holdings Ltd	50,000
Timothy Raju Fong	35,204
Tutanekai Investments Limited	34,283
David Oliver	31,678
Uma Investments Limited	30,000
Olive Whippy	29,675
Erik Larson & Amy Lynn Bergquist	27,241
Nina Patel	25,000
WINPAR Holdings Limited	21,547

(c) Board meetings

Directors	Number of meetings entitled to attend	Number of meetings attended	Apologies
Erik Larson (Chairperson)	3	3	-
Jack Lowenstein (Director)	3	3	-
Philipp Thomas (Director)	3	3	-

Other information *continued*

(d) Distribution of Share Holding

No. of Shareholders	Shareholding	Total Percentage Holding
2	0 - 500 shares	0.02%
72	501 - 5,000 shares	4.51%
15	5,001 - 10,000 shares	3.02%
14	10,001 - 20,000 shares	4.86%
5	20,001 - 30,000 shares	3.49%
3	30,001 - 40,000 shares	2.65%
1	40,001 - 50,000 shares	1.31%
4	50,001 - 100,000 shares	7.32%
6	100,001 - 1,000,000 shares	42.86%
1	Over 1,000,000 shares	29.98%

(e) Share Register

Central Share Registry Pte Limited
Shop 1 & 11, Sabrina Building
Victoria Parade, Suva, Fiji

(f) Disclosure under section 51.2(x)

	Kinetic Growth Fund Limited 2019 $	Oceanic Communications Pte Limited 2019 $
Gross Profit	-	255,874
Other income	263,890	13,279
	263,890	269,153
Other expenses	(229,435)	(344,569)
Depreciation	-	(59,380)
Interest income/ (expense)	64,318	(48,678)
Tax benefit	95,164	3,725
	(69,953)	(448,902)
Profit/ (loss) after tax	193,937	(179,749)
Total assets	4,120,640	786,828
Total liabilities	82,623	619,033
Shareholders' equity	4,038,017	167,795

(g) Financial performance for five years

	2019	Restated 2018	2017	2016	2015
Net profit/ (loss) after tax	95,574	112,973	1,285,682	426,104	(75,075)
Current assets	559,198	864,813	807,088	329,055	270,220
Non-current assets	4,053,733	3,249,982	3,151,701	2,280,252	2,001,766
Total assets	4,612,931	4,114,795	3,958,789	2,609,307	2,271,986
Current liabilities	241,785	396,122	271,316	185,857	274,354
Non-current liabilities	450,102	127,907	158,372	143,547	201,924
Total liabilities	691,887	524,029	429,688	329,404	476,278
Shareholders equity	3,921,044	3,590,766	3,529,101	2,279,903	1,795,708
Dividend per share	-	0.02	-	-	-
Earnings per share	0.03	0.03	0.36	0.11	-
Net tangible assets per share	1.03	1.04	1.01	0.60	0.51
Highest market price	1.12	1.02	0.53	0.45	0.45
Lowest market price	1.02	0.53	0.45	0.45	0.29
Year end market price	1.12	1.02	0.53	0.45	0.30

DIRECTORY

The Kinetic Growth Fund

Board of Directors:
Erik Larson
Jack Lowenstein
Philipp Thomas
Andy Yuen

Company Secretary: Griffon Emose

Manager:
Kontiki Capital Pte Limited
Level 2, Plaza 1
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Web: www.kontikicapital.com

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Reserve Bank Building
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Web: www.reservebank.gov.fj

Securities Exchange:
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