



31 August 2022

KGF Announces Unaudited Results for First Six Months of 2022

The Directors and Manager of Kinetic Growth Fund Ltd (KGF) announced KGF's results for the six-month period ended 30 June 2022.

The tables below provide performance indicators for the six-months in comparison with the corresponding period in 2021, including overall performance at the Holding Company and Group levels. Group results include consolidation of subsidiary company, Oceanic Communications Pte Ltd (OCL).

	Holding Company		Group	
	2021 (\$)	2022 (\$)	2021 (\$)	2022 (\$)
Income	396,990	882,233	593,998	1,145,096
Profit After Tax	87,228	(293,477)	75,588	(358,323)
Net Assets	4,066,046	3,507,786	3,952,194	3,308,325

	2021 (\$)	2022 (\$)	% Change
Net Assets*	3,952,194	3,308,325	(16%)
Earnings per Share	0.021	(0.10)	(576%)
Net Assets per Share (NAV)	1.06	0.89	(16%)
Share Price	1.12	1.12	0.00%
(Discount)/ Premium to NAV	5.66%	25.84%	N/A

At the **Holding Company** level, income increased by 122%, reflecting higher dividend amount received from Halabe Investments (HIL) than in the previous corresponding period. KGF recorded a net loss of (\$293,477) due mainly to a \$434,846 unrealised decrease in the carrying value of two of its listed company investments. The share price of Kontiki Finance (KFL) decreased from \$1.25 on 30 June 2021 to \$1.14 on 30 June 2022. The share price of Fiji Kava Ltd (FKL) decreased from AUD0.08 on 30 June 2021 to AUD0.028 on 30 June 2022, the effect of which was magnified due to the Fiji dollar weakening against the AUD.

At the **Group** level, revenue increased by 93% and the Group recorded a net loss of (\$341,277), reflecting the performance of subsidiary company OCL. Although OCL had a 27% increase in revenue, the company has had an increase in expenses and staffing costs resulting in a net loss for the period of (\$94,962). The revenue and expenditure trends were anticipated in OCL management's business plans for the year, as it invests in growth initiatives.

Overall, compared with the previous corresponding period, KGF's net asset backing per share decreased by 16% due primarily to the decrease in the market prices of KFL and FKL and the previously disclosed decrease in the carrying value of HIL in the latter half of FY 2021 due to recognition of assets transferred from HIL to the Viti Tower body corporate.

Other Event

In general, the performance of investee companies was significantly affected by the outbreak of COVID-19 and the resultant reduction in economic activity in Fiji and the region. Although mitigating, the effects of this slowdown continue to affect companies in 2022.

Investee company Island Quarries Pte Ltd (IQL) has recently resumed partial operations after having been closed for business due to its quarry site at Mau lying outside the Suva containment zone and therefore inaccessible to Suva-based management staff. IQL recently completed its rehabilitation programme for the quarry site and can now build back up to full production. The operations of associate company Drone Services Fiji Ltd (DSF) were slowed due to airport closures delaying projects. Such delays resulted in DSF needing to restaff or reposition staff to recommence field work projects, which will resume during 2022.

Despite the loss during this reporting period, there are several encouraging signs from companies seeing the start of recovery from the decrease in activity associated with the downturn from Covid-19. At this stage, it is difficult to estimate the extent of recovery in business operations of investee companies. The Board and Manager continue to monitor the situation closely and work with investee companies to as required to address any challenges in the second half of the year.

Yours sincerely,



Erik Larson
Director



Griffon Emose
Company Secretary



**KINETIC GROWTH
FUND**


31 August 2022

FOR PUBLIC RELEASE

Annexure D: Half Year Accounts

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2022**

		Consolidated		
		FY2022 Half Year	% Change	FY2021 Half Year
1	OPERATING REVENUE			
	Sales Revenue	310,251	27%	244,395
	Other Revenue	834,845	139%	349,602
	Total Operating Revenue	1,145,096	93%	593,998
2	Net Profit/(Loss) before Tax	(358,323)	-574%	75,588
	Income Tax Expense	0		0
	Net Profit/(Loss) after Tax	(358,323)	-574%	75,588
3	Extraordinary Item After Tax	-		-
	Net Profit/Loss after Tax& Extraordinary Item	(358,323)	-574%	75,588
4	OEI in net profit after tax	(17,046)	-2381%	(687)
	Net Profit/Loss after Extraordinary Items and Income Tax Attributable to Members of the Company	(341,277)	-547%	76,275
	Retained Profit at Beginning	(152,639)	-404%	50,150
	Total available for Appropriation	330,397	-1165%	26,125
	Ordinary dividend Provided for			
	Preference Dividend Provided for			
	Transfer to general reserves			
	Total appropriations			
	Retained profit at Year End	177,758	133%	76,275
5	EARNINGS PER SHARE			
	Shares issued	3,308,325		3,594,965
	Basic earnings per share	(0.10)	-576%	0.021
	Diluted earnings per share	(0.10)	-576%	0.021


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Director


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Director/Company Secretary

**STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 30 JUNE 2022**

	Consolidated		
	FY2022 Half Year	FY 2021 Annual Report	FY2021 Half Year
6 CURRENT ASSETS			
Cash Assets	874,223	205,925	150,013
Trade receivables	277,453	314,000	168,763
Receivables from related parties	98,928	-	162,523
Other assets	(11,108)	253	(6,351)
Total Current Assets	1,239,496	520,178	474,947
NON CURRENT ASSETS			
Property, plant and equipment	139,342	41,604	120,984
Long-term investment	2,600,772	3,288,892	3,976,403
Future Income Tax benefit	13,328	18,304	9,269
Other	(107,005)	367,138	(46,520)
Total Non-Current Assets	2,646,437	3,715,938	4,060,136
TOTAL ASSETS	3,885,933	4,236,116	4,535,083
7 CURRENT LIABILITIES			
Trade payables	80,348	133,312	94,033
Other payables and accruals	122,586	32,734	42,311
Current tax liabilities			
Interest-bearing borrowings			
Payables to related parties	7,804		8,495
Provisions	(22,039)		(73,128)
Other		66,000	
Total Current Liabilities	188,699	232,046	71,711
NON CURRENT LIABILITIES			
Term loan – secured			
Payables to related parties	391,301	322,156	490,916
Deferred tax liabilities	(2,392)	2,892	20,262
Total Non-Current Liabilities	388,909	325,048	511,179
TOTAL LIABILITIES	577,608	557,094	582,889
NET ASSETS	3,308,325	3,679,022	3,952,194
8 EQUITY			
Contributed equity	3,917,261	3,807,261	3,917,196
Current year earnings	(387,299)		(39,442)
Retained profits/accumulated losses	(177,758)	(152,639)	27,051
Equity Attributable to Members	3,352,205	3,654,622	3,904,806
OEI in Controlled Entities			
Contributed equity	(43,879)	24,400	47,388
Retained profits/accumulated losses			
Total Outside Equity Interest in Controlled Entities	(43,879)	24,400	47,388
TOTAL EQUITY	3,308,325	3,679,022	3,952,194



Director




Director/Company Secretary


FOR PUBLIC RELEASE

Annexure D: Half Year Accounts

**STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2022**

	Consolidated	
	FY2022 Half Year	FY2021 Half Year
9 CASH FLOW FROM OPERATING ACTIVITIES		
(a) Cash received from Trading activities	148,900	78,265
(b) Cash payments	(165,289)	(144,232)
(c) Interest Received	4,256	738
(d) Dividend Received	700,000	28,272
(e) Interest Paid	(25,208)	
(f) Income Tax paid		
(g) Net Cash Inflow from Operating Activities	662,659	(36,957)
10 CASH FLOWS FROM INVESTING ACTIVITIES		
(a) Acquisition of Fixed Assets	5,639	
(b) Proceeds from sale of Fixed Assets		
(c) Acquisition of Investment		
(d) Long Term Deposit	-	(20,000)
(e) Audio Visual Production		
(f) Proceeds from Sale of Associate		
(g) Proceed from Sale of Investment		
(h) Net Cash (outflow) from Investing Activities	5,639	(20,000)
11 CASH FLOWS FROM FINANCING ACTIVITIES		
(a) Acquisition of Fixed Assets	-	-
(b) Repayment of Secured Loan	-	31,250
(c) Proceed from Issue of Shares	-	-
(d) Proceeds from Borrowings	-	-
(e) Repayment of Lease Principal	-	-
(f) Net Cash (Outflow)/Inflow from Financing Activities	0	31,250
12 NET INCREASE/(DECREASE) IN CASH HELD		
(a) Cash/ (Overdraft) at beginning of Year	205,925	175,720
(b) Effects of exchange rate changes on opening cash bal	668,298	-
(c) Cash/ (Overdraft) at End of Year	874,223	150,013


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Director


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Director/Company Secretary