

KINETIC GROWTH FUND LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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KINETIC GROWTH FUND LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

In accordance with a resolution of the Board, the Directors present their report on Kinetic Growth Fund Limited ("the Fund") as at 31 December 2023. Financial comparisons used in this report are the results for the year ended 31 December 2023 compared with the year ended 31 December 2022.

The historical financial information included in this Directors Report has been extracted from the Audited 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 Fund and whether the Fund are a going concern.

Principal Activity

The principal activity of the Fund is to invest shareholders' funds in private equity projects, shares, and related financial instruments 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 in 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 Fund during the year.

Results of Operations

The operating profit for the year attributable to members of the Fund was \$311,503 (2022: loss of \$440,242) after an income tax benefit of \$51,327 (2022: income tax benefit of \$29,356).

- **Our Strategy**

Our strategy is focused on maximising shareholder value through exposure to 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 Fund's criteria;
- Developing and maintaining strong relationships with investee companies to allow the Manager, Kontiki Capital Pte 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 Fund 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 FY2023, 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;
- Invest generally over a long-term horizon to fully realise investment returns;
- Review the structure of investments with investee companies to align investee company performance with returns to KGF; and
- Work closely with investee companies to build resilience for long-term growth.

- **Our Priorities in The Future**

Priorities in FY2024 include:

- Finalise closing of property portfolio purchase transaction with Kelton Investments Pte Ltd and integrate property business into KGF;
- Continue restructuring work on Island Quarries Ltd investment;
- Work closely with investee companies to improve operating performance;
- Invest generally over a long-term horizon to fully realise investment to grow Net Tangible Assets per share; and
- Expand the investment portfolio with profitable opportunities that will benefit from patient capital as appropriate.

KINETIC GROWTH FUND LIMITED
DIRECTORS' REPORT continued
FOR THE YEAR ENDED 31 DECEMBER 2023

Results of Operations continued

Key statistics

	Fund
Revenue	637,648
Total Assets	3,710,160
Net Assets	3,661,077
Net Profit	311,503

Dividends

During the year no dividend has been declared or paid by the Directors (2022: Nil).

Significant Events During the Year

- 1) In June, the Government of Fiji announced its 2023-2024 National Budget which included a revision to the corporate tax rate. The income tax rate was raised from 10% to 25%. The new tax rate applies to those entities listed on the South Pacific Stock Exchange for more than 7 years such as the Fund. This also impacts the financial results, tax payable and deferred tax balances in the current and subsequent financial years.
- 2) During the year, Halabe Investments Limited (an investee company) liquidated its assets and distributed the proceeds to its shareholders. The Fund received its share of proceeds from the disposal of the shares in March 2023. The distribution of proceeds resulted in a gain on the disposal of the Fund's shares held in the investee company.
- 3) In September, the Fund announced the acquisition of a substantial property portfolio in Suva from Kelton Investments Pte Ltd in exchange for a mix of cash and equity. The cash portion of the transaction is being financed through bank debt. The financing is through a mortgage on the three properties with a conservative loan-to-value ratio. Negotiations with financiers are at an advanced stage and it is anticipated that this will be completed in a matter of days. The transaction is anticipated to be completed within the first half 2024.
- 4) In December 2023, the Fund exercised pre-emptive rights over a transaction concerning majority ownership in investee company Island Quarries Ltd (IQL). As part of this exercise, the Fund made a contribution of capital into IQL in the form of additional Redeemable Convertible Notes and made a commitment to developing a plan to return IQL to operations.
- 5) In November 2023, the Fund exercised its rights under the Drone Services (Fiji) shareholders agreement to put its ordinary shares and have its preference shares redeemed. The Fund offered vendor financing on these transactions, effectively converting this equity investment into a loan receivable.

Other than the matters described above, no other matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results or cash flows of those operations, or the state of affairs of the Fund in future financial years.

Events Subsequent to Year End

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in the future financial periods.

KINETIC GROWTH FUND LIMITED
DIRECTORS' REPORT continued
FOR THE YEAR ENDED 31 DECEMBER 2023

Details of Directors and executives

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

Erik Larson
Jack Lowenstein
Mark Halabe
Philipp Thomas (resigned on 28 November 2023)

Details of Directors shareholdings in the Fund as at 31 December 2023 are shown in the table below:

Director	Number of shares held
Erik Larson	39,727
Jack Lowenstein	89,599
Mark Halabe	-

Going Concern

The Directors consider that the Fund will continue as a going concern. The Directors believe that the basis of preparation of financial statements is appropriate and the Fund will be able to continue its operations for at least 12 months from the date of signing this report.

Bad Debts

Prior to the completion of the financial statements of the Fund, the Directors took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts. In the opinion of the Directors, adequate allowance has been made for expected credit loss.

As at the date of this report, the Directors are not aware of any circumstances, which would render the amount written off for bad debts, or the allowance for expected credit loss in the Fund, inadequate to any substantial extent.

Current and Non-Current Assets

Prior to the completion of the financial statements of the Fund, the Directors took reasonable steps to ascertain whether any current and non-current assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Fund. Where necessary, these assets have been written down or adequate allowance has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the Directors are not aware of any circumstances, which would render the values attributed to current and non-current assets in the Fund's financial statements misleading.

Unusual Transactions

In the opinion of the Directors, the results of the operations of the Fund during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report, any item, transaction or event of a material unusual nature, likely in the opinion of the Directors, to affect substantially the results of the operations of the Fund in the current financial year.

Other Circumstances

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which render any amounts stated in the financial statements misleading.

KINETIC GROWTH FUND LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Directors' Benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits disclosed in the financial statements and / or those included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements or received as the fixed salary of a full-time employee of the company or a related corporation) by reason of a contract made by the company or by a related corporation with the Director or with a company of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Board and Committee meeting attendance

Details of the number of formal meetings held by the Board during the financial year ended 31 December 2023, and attendance by the Board members, are set out below. In addition to these formal meetings, the Board members met telephonically on a regular basis (at least quarterly) concerning investments and negotiations.

Director	Number of meetings	
	A	B
Erik Larson	1	1
Jack Lowenstein	1	1
Mark Halabe	1	1


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 Fund'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 Kinetic Growth Fund Limited* on page 7.

This report is made on the 31 March 2024 in accordance with a resolution of the Directors.


.....
Erik Larson
Chairperson

KINETIC GROWTH FUND LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

- (a) In the Directors' opinion, the financial statements and notes for the financial year ended 31 December 2023:
 - (i) give a true and fair view of the financial position of the Fund as at 31 December 2023; 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 Fund 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

Auditor's Independence Declaration to the Directors of Kinetic Growth Fund Limited

As lead auditor for the audit of Kinetic Growth Fund Limited ("the Fund") for the financial year ended 31 December 2023, 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 during the financial year.



Ernst & Young
Ernst & Young
Chartered Accountants



Minay Prasad
Partner
Level 7, Pacific House
1 Butt Street
Suva, Fiji

31 March 2024

Independent Audit Report

To the shareholders of Kinetic Growth Fund Limited

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of Kinetic Growth Fund Limited ("the Fund"), which comprise the statement of financial position of the Fund as at 31 December 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2023 and of its 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 Financial Statements* section of our report. We are independent of the Fund in accordance with *International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (including International Independence Standards)* (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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matters 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 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 financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent Audit Report *continued*

Key Audit Matters *continued*

Valuation of certain unlisted investments held at fair value

Why significant	How our audit addressed the key audit matter
<p>The Fund has investments in unlisted companies measured at fair value through profit or loss. For some of these investments where no market price or no active market is available, the fair values are determined using valuation models based on data and inputs that are not observable in the market.</p> <p>These investments are categorized as level 3 in the IFRS fair value valuation hierarchy. These investments are valued using assumptions which require significant judgment and estimation as they are not based on directly comparable or otherwise observable metrics. The fair values of these investments are recorded at the reporting date based on the valuations performed by an external valuer engaged by management.</p> <p>As at 31 December 2023, the Fund has unlisted equity investments categorised as Level 3 totalling \$224,256. This represents 6% of the total assets of the Fund. Disclosures in relation to these investments are included in Note 9 to the financial statements</p>	<p>In obtaining sufficient appropriate audit evidence we:</p> <ul style="list-style-type: none"> ▶ Obtained a detailed understanding of the valuation processes used and identified the factors which had a greater impact on the valuations. We assessed the appropriateness of the valuation methodologies; ▶ Assessed whether management had appropriately allocated these unlisted equity instruments to Level 3 within the fair value hierarchy; ▶ Evaluated the competence, objectivity and capabilities of the external valuer engaged by management; ▶ Used team members with valuation experience to challenge the methods and assumptions used for measuring the value of Level 3 investments and to assess whether the external valuer's assessed values fell within a reasonable range; ▶ Obtained confirmation from each relevant investee company of the number of shares held by the Fund; and ▶ Assessed the financial statement disclosures in respect of the valuation of the unquoted investments.

Independent Audit Report *continued*

Other Information

The Directors and management are responsible for other information. The other information comprises the information in the Fund's Annual Report for the year ended 31 December 2023 but does not include the financial statements and the Auditor's Report thereon.

Our opinion on the 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 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 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 Financial Statements

The Directors and management are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as the Directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors and management are responsible for assessing the Fund'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 the Directors and management either intend to liquidate the Fund to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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.

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 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.

Independent Audit Report *continued*

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

- ▶ 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 Fund's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors and management.
- ▶ Conclude on the appropriateness of the Directors' and management's 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 Fund'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 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 Fund 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.

We communicate with the Directors and management 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.

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

Independent Audit Report *continued*

Report on Other Legal and Regulatory Requirements

In our opinion, the 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 Fund has kept financial records sufficient to enable the Company financial statements to be prepared and audited.



Ernst & Young
Ernst & Young
Chartered Accountants



Minay Prasad
Partner
Level 7, Pacific House
1 Butt Street
Suva, Fiji

31 March 2024

KINETIC GROWTH FUND LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Fund 2023	Fund 2022
		\$	\$
Interest revenue		143,721	129,136
Dividend revenue		75,052	755,748
Other income	3(a)	418,875	4,116
		<u>637,648</u>	<u>889,000</u>
Management and performance fees		(40,188)	(47,758)
Custodian and administration fees		(7,500)	(7,500)
Directors fees		(7,500)	(9,333)
Other operating expenses	3(b)	<u>(322,284)</u>	<u>(1,294,007)</u>
Profit/(Loss) before interest and tax		260,176	(469,598)
Income tax benefit	4(a)	<u>51,327</u>	<u>29,356</u>
Profit/(Loss) from continuing operations		311,503	(440,242)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive profit/(loss) for the year		<u>311,503</u>	<u>(440,242)</u>
Attributable to:			
Equity holders of the company		<u>311,503</u>	<u>(440,242)</u>
		<u>311,503</u>	<u>(440,242)</u>
Basic/ diluted, for profit/(loss) of the year attributable to ordinary equity holders of the parent	14	<u>\$ 0.08</u>	<u>\$ (0.12)</u>

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

KINETIC GROWTH FUND LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Fund 2023	Fund 2022
		\$	\$
(Accumulated Loss)/Retained earnings			
At 1 January		(457,687)	(152,639)
Transfer of non-controlling interest		-	24,400
De-recognition of previously consolidated entities		-	110,794
Net profit/(loss) after income tax		311,503	(440,242)
At 31 December		(146,184)	(457,687)
Non-controlling interest			
At 1 January		-	24,400
Share of loss for the year		-	-
Transfer to Accumulated Losses due to de-consolidation		-	(24,400)
At 31 December		-	-
Share capital			
At 1 January		3,807,261	3,807,261
Movement during the year		-	-
At 31 December	13	3,807,261	3,807,261
Total shareholders' equity		3,661,077	3,349,574

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

KINETIC GROWTH FUND LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

		Fund 2023	Fund 2022
Assets	Notes	\$	\$
Current assets			
Cash and cash equivalents	5	360,851	766,126
Other receivables	6	340,712	193,260
		<u>701,563</u>	<u>959,386</u>
Non-current assets			
Deferred tax asset	4(c)	99,713	31,440
Financial assets	9	2,684,628	2,165,893
Investment in subsidiaries	10	224,256	224,256
		<u>3,008,597</u>	<u>2,421,589</u>
Total assets		<u>3,710,160</u>	<u>3,380,975</u>
Current liabilities			
Trade and other payables	11	32,137	31,401
Current tax payable	7	16,946	-
		<u>49,083</u>	<u>31,401</u>
Total liabilities		<u>49,083</u>	<u>31,401</u>
Net assets		<u>3,661,077</u>	<u>3,349,574</u>
Shareholders' equity			
Share capital	13	3,807,261	3,807,261
Accumulated losses		<u>(146,184)</u>	<u>(457,687)</u>
Total shareholders' equity		<u>3,661,077</u>	<u>3,349,574</u>

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

KINETIC GROWTH FUND LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Fund	Fund
		2023	2022
		\$	\$
Operating profit/(loss) for the year		311,503	(440,242)
Adjustments for non-cash items:			
Unrealised gain/(loss) on financial assets		(51,203)	1,175,920
Interest on preference shares and convertible notes		(91,939)	(82,387)
Movements in expected credit losses		273,094	76,000
Impairment reversal		(300,000)	-
		141,455	729,391
Changes in assets and liabilities:			
Increase in trade and other receivables		(146,139)	-
Increase in deferred tax assets		(68,273)	(26,211)
(Decrease) in deferred tax liabilities		-	(2,892)
Increase in trade and other payables		736	3,206
Increase / (Decrease) in current tax payable		16,946	(253)
Cash flows (used in)/from Operating Activities		(55,275)	703,241
Investing activities			
Proceeds from disposal of financial assets		175,000	-
Payments for financial assets		(525,000)	(52,921)
Cash flows (used in) Investing Activities		(350,000)	(52,921)
Net (decrease) / increase in cash and cash equivalents		(405,275)	650,320
Cash and cash equivalents at 1 January		766,126	205,925
Derecognition of subsidiary's cash balance due to de-consolidation		-	(90,119)
Cash and cash equivalents at 31 December	5	360,851	766,126

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

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

1. Corporate information

The financial statements of Kinetic Growth Fund Limited (the Fund) for the year ended 31 December 2023 were authorised for issue with a resolution of the Directors on 31 March 2024. 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 Fund is outlined in Note 21. Information on related party relationships of the Fund is provided in Note 15.

1.1 Basis of preparation

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

Statement of compliance

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

Going Concern

The financial statements have been prepared on a going concern basis as the Fund will be able to continue its operations for at least 12 months from the date of signing this financial statement.

1.2 Basis of consolidation

The Fund is an investment entity therefore, it measures its investments in equity instruments at fair value rather than consolidating them. Investment in subsidiaries are classified as fair value through profit or loss in accordance with IFRS 9.

1.3 Changes in accounting policies

New and amended standards and interpretations

The Fund applied for the first-time certain standards and amendments listed below, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). There amendments did not have any material impact on the Fund.

- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The Fund has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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 Fund's financial statements are disclosed below. The Fund intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

New pronouncement	Effective date
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
Supplier Finance Arrangement – Amendments to IAS 7 and IFRS 7	1 January 2024

1.4 Summary of accounting policies

(a) Foreign currencies

The financial statements are presented in Fijian dollars, which is the Fund's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

1.4 Summary of accounting policies continued

(b) Financial instruments – Initial recognition and subsequent measurements

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Fund has applied the practical expedient, the Fund initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Fund has applied the practical expedient are measured at the transaction price as disclosed in section (f) Revenue.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss (equity instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Fund's financial assets at amortised cost includes cash and cash equivalents, trade and other receivables and convertible notes included under financial assets.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes quoted and unquoted equity investments which the Fund had not irrevocably elected to classify at fair value through OCI. Dividends on quoted equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

1.4 Summary of accounting policies continued

(b) Financial instruments – Initial recognition and subsequent measurements continued

i) Financial assets continued

Subsequent measurement continued

Derecognition - A financial asset (or, where applicable, a part of a financial asset or part of a Fund of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
 - The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset
- When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Fund could be required to repay.

Impairment

Further disclosures relating to impairment of trade receivables is also provided in Note 08. The Fund recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Fund applies a simplified approach in calculating ECLs. Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Fund has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Fund considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Fund may also consider a financial asset to be in default when internal or external information indicates that the Fund is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Fund. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

1.4 Summary of accounting policies continued

(b) Financial instruments – Initial recognition and subsequent measurements continued

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Fund's financial liabilities include trade and other payables and lease liabilities.

Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified at amortised cost.

Financial liabilities at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

1.4 Summary of accounting policies continued

(c) Impairment of non-financial assets

The Fund assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Fund estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Funds of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Fund bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Fund's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Fund estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

(d) Cash and short term deposits

Cash and short term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Fund's cash management.

(e) Taxes

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 Fund operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss and other 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.

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

1.4 Summary of accounting policies continued

(e) Taxes continued

Deferred tax continued

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 at the reporting date.

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

- When the deferred tax liability arises from the initial recognition of goodwill or 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.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, 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:

- When 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.
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, 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 profits 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 re-assessed 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.

The Fund offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Value Added Tax (VAT)

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

- i) When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii) When receivables and payables are stated with the amount of VAT 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.

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

1.4 Summary of accounting policies continued

(f) Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Fund recognises revenue when it transfers control over a product or service to a customer. The Fund principally generates revenue from the sale of the Fund's products and is stated net of Value Added Tax.

(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).

(g) Fair Value Measurement

The Fund measures non-financial assets such as quoted and unquoted shares at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

1.4 Summary of accounting policies continued

(g) Fair Value Measurement continued

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

(h) Expenses

Administration fees

Administration fees are 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 Gross 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.

(i) Current versus non-current classification

The Fund 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.

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

1.4 Summary of accounting policies continued

(i) Current versus non-current classification continued

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 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 Fund classifies all other liabilities as non-current.

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

(j) Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in current year presentations.

(k) Geographical segment

The Fund operates predominantly only in Fiji and is therefore one geographical area for reporting purposes.

1.5 Significant accounting judgments, estimates and assumptions

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. 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 future periods.

Judgements

In the process of applying the Fund's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Assessment as investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at FVPL rather than consolidate them. The criteria which define an investment entity are, as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment management services,
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both,
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Fund's prospectus details its objective of providing investment management services to investors which includes investing in equities, fixed income securities, private equity and property investments for the purpose of returns in the form of investment income and capital appreciation.

The Fund reports to its investors via quarterly investor information, and to its management, via internal management reports, on a fair value basis. All investments are reported at fair value to the extent allowed by IFRS in the Fund's annual reports.

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

1.5 Significant accounting judgments, estimates and assumptions continued

Assessment as investment entity continued

The Fund has a clearly documented exit strategy for all of its investments. The Board has also concluded that the Fund meets the additional characteristics of an investment entity, in that it has more than one investment; the Fund's ownership interests are predominantly in the form of equities and similar securities; it has more than one investor and its investors are not related parties.

The Board has concluded that the Fund meets the definition of an investment entity. These conclusions will be reassessed on a continuous basis, if any of these criteria or characteristics change.

Subsidiaries in which the Fund holds less than a majority of voting rights

The Fund owns 50% shares in Oceanic Communications Pte Limited. In addition, the Fund holds Convertible redeemable preference shares valued at \$224,256. Therefore, the 50% shares and plus preference shares is, in effect, enough to control the outcome of voting at shareholder meetings of the investee company. As such, the Board has concluded that the Fund has control of Oceanic Communication Pte Limited, and accordingly, it has been accounted for as a subsidiary at fair value.

Assessment of fund investments as structured entities

The Fund has assessed whether the funds in which it invests should be classified as structured entities. The Fund has considered the voting rights and other similar rights afforded to investors in these funds, including the rights to remove the fund manager or redeem holdings.

The Fund has concluded as to whether these rights are the dominant factor in controlling the funds, or whether the contractual agreement with the fund manager is the dominant factor in controlling these funds.

Estimates and assumptions

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

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Fund has \$nil (2022: \$45,989) of tax losses carried forward. The Fund does not have any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Fund has determined that it cannot recognise deferred tax assets on the tax losses carried forward until such a time the realization of these losses become probable.

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

1.5 Significant accounting judgments, estimates and assumptions continued

Fair value measurement of financial instruments

When the fair values of financial assets recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 9 for further disclosures.

2. REVENUES

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

	The Fund 2023 \$	The Fund 2022 \$
3. OPERATING PROFIT/(LOSS) INCLUDES:		
(a) <u>Other income</u>		
Net unrealised gain in financial asset	51,203	-
Net realised gain on financial asset	65,381	-
Impairment reversal on investment	300,000	-
Other income	2,291	4,116
	<u>418,875</u>	<u>4,116</u>
(b) <u>Other operating expenses</u>		
Accounting services	11,719	10,820
Auditors remuneration - audit services	13,650	10,000
Consulting fees	9,265	10,000
Movement in expected credit loss	273,094	76,000
Listing and share registry fees	1,800	6,354
Other expenses	12,757	4,913
Net unrealised loss on financial assets	-	1,175,920
	<u>322,284</u>	<u>1,294,007</u>

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

4. INCOME TAX

- (a) A reconciliation between tax benefit and the product of accounting profit / (loss) multiplied by the tax rate for the years ended 31 December 2023 and 2022 is as follows:

	The Fund 2023 \$	The Fund 2022 \$
Accounting profit/(loss) before income tax	260,176	(469,598)
Prima facie tax expense / (benefit) thereon at 25% (2022: 10%)	65,043	(46,960)
Non-deductible items	(122,909)	44,457
Tax losses utilized/ not recognised	-	(5,097)
Tax on disposed capital assets	6,538	-
Restatement of deferred tax balances	-	(21,756)
Income tax benefit	(51,327)	(29,356)

- (b) *Current income tax:*

Current income tax benefit	(57,865)	(29,356)
Tax on disposed capital assets	6,538	-
Income tax benefit	(51,327)	(29,356)

- (c) *Deferred tax*

Deferred tax assets

Expected credit losses	99,713	31,440
	99,713	31,440

5. CASH AND CASH EQUIVALENTS

	\$	\$
Kontiki Portfolio Trust	360,851	766,126
	360,851	766,126

Funds in Kontiki Portfolio trust do not earn interest.

6. OTHER RECEIVABLES

	\$	\$
Interest receivable and prepayments	1,694	-
Receivables from related parties (Note 15(c))	737,872	319,021
Less: Allowance for expected credit loss	(398,854)	(125,761)
	340,712	193,260

Total Other Receivables	340,712	193,260
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Movement in the expected credit loss were as follows:

	\$	\$
At 1 January	125,761	60,869
Net movement for the year	273,093	76,000
De-recognition of ECL relating to previously consolidated subsidiary	-	(11,108)
At 31 December	398,854	125,761

7. CURRENT TAX PAYABLE

	\$	\$
At 1 January	-	253
Movement during the year	-	(253)
Current tax payable	16,946	-
At 31 December	16,946	-

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

8. INVESTMENT IN ASSOCIATES

	The Fund 2023 \$	The Fund 2022 \$
Drone Services (Fiji) Pte Limited	-	-
Investment in associated at fair value	-	-

Restrictions

The Fund receives income in the form of dividends and interest from its investment in the associate. There are no significant restrictions on the transfer of funds from this entity to the Fund.

Unconsolidated structured entity

Drone Services (Fiji) Pte Limited previously was considered as meeting the definition of a structured entity. During 2023, the Fund exercised its option to put its ordinary shares and redeem its preference shares in DSL and has agreed to vendor financing for the consideration for the purchase and redemption, recording the amount financed as a loan to DSL.

9. FINANCIAL ASSETS

	The Fund 2023 \$	The Fund 2022 \$
<u>Quoted instruments</u>		
<u>Quoted Shares</u>		
FMF Foods Limited	178,102	178,102
Pleass Global Limited	781,075	786,443
Kontiki Finance Limited	920,048	758,219
Fiji Kava Limited	30,403	64,379
	<u>1,909,628</u>	<u>1,787,143</u>
<u>Unquoted instruments</u>		
<u>Unquoted shares</u>		
Halabe Investments Pte Limited shares	-	128,750
<u>Debt instruments</u>		
<u>Government Bonds</u>		
Viti Bonds	200,000	-
<u>Convertible Notes</u>		
Island Quarries Pte Limited	400,000	250,000
<u>Other Loans Receivable</u>		
Loan to Ryan Trustee	175,000	-
	<u>2,684,628</u>	<u>2,165,893</u>
Unquoted shares further include:		
<u>Investment in Subsidiary [equity instruments] (note 10)</u>		
Oceanic Communication Pte Limited shares	<u>224,256</u>	<u>224,256</u>
<u>Investment in Associates [equity instruments] (note 8)</u>		
Drone Services (Fiji) Pte Limited shares	<u>-</u>	<u>-</u>

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

9. FINANCIAL ASSETS continued

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; references to earnings multiple for sample companies used for benchmarking or share of net assets. Unquoted investments are classified in Level 3 of the fair value hierarchy.

Movements in fair value during the year of \$51,203 (2022: \$1,175,920) have been recognised in profit or loss.

Convertible notes

At 31 December 2023, there were 400,000 (2022: 250,000) redeemable convertible notes ("notes") purchased from Island Quarries Pte Limited (IQL). Each note has a par value of \$1 and is convertible at the option of the Fund into ordinary shares of IQL within the next 5 years from 21 October 2020. Any note not converted at the end of the term will be redeemed at par value. The notes carry interest of 10% per annum, payable monthly and penalty interest on late payment. The notes rank ahead of the ordinary shares in the event of a liquidation.

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

Halabe Investments Limited

The Fund had an investment in Halabe Investment Pte Limited ("HIL") that was disposed during the year due to the liquidation of the company. The Fund recognised a gain on disposal of these shares.

Investment in Associate

The Fund had an investment in Drone Services (Fiji) Pte Limited ("DSL") that has the primary activity of sales and hiring of commercial drones and surveying solutions. During 2023, the Fund exercised its option to put its ordinary shares and redeem its preference shares in DSL and has agreed to vendor financing for the consideration for the purchase and redemption, recording the amount financed as a loan to DSL.

Investment in Subsidiary

This investment is in Oceanic Communication Pte Limited ("OCL") that has the primary activity of Marketing and advertising, including billboards and media placements, website application development (including e-commerce) and website hosting. Commencing with the year ended 31 December 2022, external independent valuer South Pacific Advisory conducts an annual valuation of shares. The Fund classifies the fair value of these investments as Level 3. The fair value of OCL has been carried on the Fund's balance.

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

9. FINANCIAL ASSETS continued

FMF Foods Limited	Fiji	0.06%
Pleass Global Limited	Fiji	3.42%
Kontiki Finance Limited	Fiji	0.78%
Fiji Kava Limited	Australia	1.53%
Oceanic Communication Pte Limited	Fiji	50%

Fair value measurement

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

Fair value measurement hierarchy for assets as at 31 December 2023:

	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	31/12/2023	178,102	178,102	-	-
Pleass Global Limited	31/12/2023	781,075	781,075	-	-
Kontiki Finance Limited	31/12/2023	920,048	920,048	-	-
Fiji Kava Limited	31/12/2023	30,403	30,403	-	-
Non-listed equity investments:					
Oceanic Communications Pte Limited	31/12/2023	224,256	-	-	224,256

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

10. INVESTMENT IN SUBSIDIARIES

	The Fund	The Fund
	2023	2022
	\$	\$
Oceanic Communication Pte Limited Preference shares	224,256	224,256
Investment in subsidiaries at fair value	224,256	224,256

As of 1 January 2023, the Fund concluded that it meets the definition of an investment entity. Therefore, it does not consolidate its subsidiaries but, rather, recognises them as investments at fair value through profit or loss.

Summary of unconsolidated subsidiaries	Principal place of business	Proportion of ownership and voting rights	2023	2022
			50%	50%
Oceanic Communication Pte Limited	Fiji			

Oceanic Communication Pte Limited does not control any further subsidiaries.

Restrictions

The Fund receives income in the form of dividends and interest from its investments in unconsolidated subsidiaries, and there are no significant restrictions on the transfer of funds from these entities to the Fund. During the year, the Fund received \$44,000 (2022: \$27,500) in dividends and interest from OCL.

Support

During the current year, the Fund provided support in the form of a loan of \$Nil. (2022: \$Nil) to Oceanic Communication Pte Limited. The Fund has no contractual commitments or current intentions to provide any other financial or other support to its unconsolidated subsidiaries.

11. TRADE AND OTHER PAYABLES

	\$	\$
Trade and other payables	32,137	31,401
	32,137	31,401

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.

12. EMPLOYEE BENEFIT LIABILITY

	\$	\$
As at 1 January	-	32,734
Net movement during the year	-	(32,734)
As at 31 December	-	-

13. SHARE CAPITAL

	\$	\$
<u>Issued and Paid up Capital</u>		
3,821,210 (2022: 3,821,210) ordinary shares	3,807,261	3,807,261
	3,807,261	3,807,261

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

	The Fund 2023 \$	The Fund 2022 \$
14. EARNINGS PER SHARE		
Operating profit/(loss) after income tax	311,503	(440,242)
Weighted average ordinary shares at end of the financial year	3,821,210	3,821,210
Basic profit/(loss) per share	0.08	(0.12)

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

Diluted profit/(loss) per share amounts are calculated by dividing the operating profit/(loss) 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 financial statements.

15. RELATED PARTY TRANSACTIONS

a) Transactions with related parties

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

			2023 \$	2022 \$
Amounts charged to/paid to related parties during the financial year were as follows:				
<u>Transaction</u>	<u>Related party</u>	<u>Nature of transaction</u>		
Interest on preference shares	Oceanic Communications Pte Limited	Income	26,547	27,622
Interest on preference shares	Drone Services (Fiji) Pte Limited	Income	55,171	49,766
Dividend reinvestment	Kontiki Finance Limited	Investment	54,509	30,044
Interest on preference shares	Island Quarries (Fiji) Pte Limited	Income	62,004	51,748
Administration fees	Kontiki Portfolio Services Pte Limited	Expense	7,500	7,500
Management fees	Kontiki Capital Pte Limited	Expense	40,188	47,758

Administration, management and performance fees are subject to commitment agreements between the parties. The details of fees is outlined in Note 1.4 (h)

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

		The Fund	The Fund
		2023	2022
		\$	\$
b) <u>Owing to related parties</u>			
The amounts payable as at 31 December to the following related parties are as follows:			
Administration fees - Kontiki Portfolio Services Pte Limited	Current Liability	-	-
Management fees - Kontiki Capital Pte Limited	Current Liability	-	-
		-	-

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	5,025
Interest on Pref shares - Drone Services (Fiji) Pte Limited	Current assets	-	125,698
Interest on convertible notes - Island Quarries Pte Limited	Current assets	197,707	135,704
Loan receivable – Drone Services (Fiji) Pte Limited	Current assets	500,000	-
Interest on Pref Shares – Oceanic Communication Pte Limited	Current assets	35,140	52,594
		737,872	319,021
Less: Allowance for expected credit loss		(398,854)	(125,761)
		(339,018)	193,260

d) Compensation of Key Management Personnel of the Fund

Management fees	40,188	47,758
Directors	7,500	9,333
Total compensation paid to key management personnel	47,688	57,091

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, Kontiki Stockbroking Pte Limited and Kontiki Portfolio Services Pte Limited.

f) Capital management

For the purposes of the Funds capital management, capital includes issued capital and retained earnings.

The Fund's objective when managing capital is to safeguard the Fund'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 Fund may adjust the amount of dividends paid to shareholders, return of capital to shareholders, issue new shares or sell assets to reduce debt.

The Fund 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 statement of financial position) less cash and short-term deposits. Total capital is calculated as 'Shareholder's equity' as shown in the statement of financial position.

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

15. RELATED PARTY TRANSACTIONS continued

	The Fund 2023 \$	The Fund 2022 \$
Trade and other payables (Note 11)	32,137	31,401
Less: cash and short-term deposits (Note 5)	(360,851)	(766,126)
Net debt	(328,714)	(734,725)
f) <u>Capital management</u> continued		
Shareholder's equity	3,661,077	3,349,574
Total Capital	3,661,077	3,349,574
Gearing ratio	0%	0%

In order to achieve this overall objective, the Fund'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 2023 and 2022.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's principal financial liabilities, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Fund's operations. The Fund's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations. The Fund also holds investments in debt and equity instruments and enters into derivative transactions.

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

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities. The Fund, 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 2023 and 2022.

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 Fund's exposure to the risk of changes in foreign exchange rates relates primarily to the Fund's operating activities (when revenue or expense is denominated in a foreign currency) and the Fund's net investments in foreign companies.

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

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

Foreign currency sensitivity

A weakening of the Fiji dollar as at 31 December 2023, 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 2022.

The following significant exchange rates were applied during the period.

	Reporting date mid spot rate	
	2023	2022
AUD	0.667	0.668
	Change in AUD rate	Effect on profit before tax
		\$
2023	+/- 10%	\$2,735
2022	+/- 10%	\$5,853

Equity price risk

The Fund's listed and non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Fund 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 Fund's senior management on a regular basis. The Fund'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 Fund 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.

Receivables

Customer credit risk is managed by each business unit subject to the Fund'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 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 Fund evaluates the concentration of risk with respect to trade receivables as low. Estimated credit loss on receivables are detailed in Note 6.

Liquidity risk

The Fund monitors its risk of a shortage of funds using a liquidity planning tool. The Fund'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 Fund has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

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 Fund's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Fund'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.

17. CAPITAL COMMITMENTS

The Fund in the final quarter of 2023 committed to invest a total of \$0.15 million in Island Quarries Pte Ltd (IQL) wholly in convertible notes. At the balance date, Kinetic Growth Fund Limited had invested a total of \$0.40 million in IQL.

	The Fund 2023	The Fund 2022
	\$	\$
Committed investment into Island Quarries Pte Limited	150,000	-
Less: total amount invested	<u>(150,000)</u>	<u>-</u>
	<u>-</u>	<u>-</u>

18. CONTINGENT ASSETS & LIABILITIES

The Fund had no contingent assets and liabilities as at 31 December 2023 (2022: Nil).

19. SEGMENT INFORMATION

2023 Fund Investments	Carrying amount \$
Technology	224,256
Consumables	989,580
Finance	920,048
Extractive industries	400,000
TOTAL	2,533,884

2022 Fund Investments	Carrying amount \$
Technology	224,256
Consumables	1,028,924
Real estate	128,750
Finance	758,219
Extractive industries	250,000
TOTAL	2,390,149

KINETIC GROWTH FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

20. FUND DETAILS

Registered office and principal place of business

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

21. PRINCIPAL ACTIVITY

The principal activity of the Fund is to invest shareholders' funds in private equity projects, shares, and related financial instruments 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 Fund during the year.

22. SIGNIFICANT EVENTS DURING THE YEAR

- 1) In June, the Government of Fiji announced its 2023-2024 National Budget which included a revision to the corporate tax rate. The income tax rate was raised from 10% to 25%. The new tax rate applies to those entities listed on the South Pacific Stock Exchange for more than 7 years such as the Fund. This also impacts the financial results, tax payable and deferred tax balances in the current and subsequent financial years.
- 2) During the year, Halabe Investments Limited (an investee company) liquidated its assets and distributed the proceeds to its shareholders. The Fund received its share of proceeds from the disposal of the shares in March 2023. The distribution of proceeds resulted in a gain on the disposal of the Fund's shares held in the investee company.
- 3) In September, the Fund announced the acquisition of a substantial property portfolio in Suva from Kelton Investments Pte Ltd in exchange for a mix of cash and equity. The cash portion of the transaction is being financed through bank debt. The financing is through a mortgage on the three properties with a conservative loan-to-value ratio. Negotiations with financiers are at an advanced stage and it is anticipated that this will be completed in a matter of days. The transaction is anticipated to be completed within the first half 2024.
- 4) In December 2023, the Fund exercised pre-emptive rights over a transaction concerning majority ownership in investee company Island Quarries Ltd (IQL). As part of this exercise, the company made a contribution of capital into IQL in the form of additional Redeemable Convertible Notes and made a commitment to developing a plan to return IQL to operations.
- 5) In November 2023, the Fund exercised its rights under the Drone Services (Fiji) shareholders agreement to put its ordinary shares and have its preference shares redeemed. The Fund offered vendor financing on these transactions, effectively converting this equity investment into a loan receivable.

Other than the matters described above, no other matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results or cash flows of those operations, or the state of affairs of the Fund in future financial years.

23. EVENTS SUBSEQUENT TO YEAR END

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in the future financial periods.

KINETIC GROWTH FUND LIMITED
SOUTH PACIFIC STOCK EXCHANGE DISCLOSURE REQUIREMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Other information

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

- (a) Statement of interest of each Director and Senior Management in the share capital of the Fund or in a related Corporation as at 31 December 2023 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 36,452 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).

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

<u>Shareholders</u>	<u>No of shares</u>
PLATINUM INSURANCE LIMITED	1,165,318
AEQUI-LIBRIA ASSOCIATES INSURANCE BROKER LTD	453,604
THE FIJI NATIONAL PROVIDENT FUND BOARD	362,130
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

<u>Directors</u>	<u>Number of meetings entitled to attend</u>	<u>Number of meetings attended</u>
Erik Larson (Chairperson)	1	1
Jack Lowenstein (Director)	1	1
Mark Halabe (Director)	1	1

In addition to these formal meetings, the board members met telephonically on a regular basis (at least quarterly) concerning investments and negotiations

KINETIC GROWTH FUND LIMITED
SOUTH PACIFIC STOCK EXCHANGE DISCLOSURE REQUIREMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2023

Other information continued

(d) Distribution of Share Holding

No. of Shareholders	Shareholding	Total Percentage Holding
2	0 - 500 shares	0.02%
69	501 - 5,000 shares	4.30%
14	5,001 - 10,000 shares	2.75%
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	42.81%
1	Over 1,000,000 shares	30.50%

(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 2023
	\$
Gross profit	260,176
Other income	-
	<u>260,176</u>
Other expenses	-
Net unrealised loss on financial assets	-
Interest income/ (expense)	-
Tax benefit	51,327
	<u>311,503</u>
Profit after tax	<u>311,503</u>
Total assets	3,710,160
Total liabilities	49,083
Shareholders' equity	3,661,077

* The above disclosure relates to the Fund since this is an investment entity.

KINETIC GROWTH FUND LIMITED
SOUTH PACIFIC STOCK EXCHANGE DISCLOSURE REQUIREMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Other information continued

(g) **Financial performance for five years**

	2023	2022	2021	2020	2019
Net profit/ (loss)	311,503	(440,242)	(204,098)	(37,924)	95,574
Assets	3,710,160	3,380,975	4,236,116	4,479,268	4,612,931
Liabilities	49,083	31,401	557,094	596,148	691,887
Equity	3,661,077	3,349,574	3,679,022	3,883,120	3,921,044
Earnings per share	0.08	(0.12)	(0.05)	(0.01)	0.03
Net Tangible assets per share	0.96	0.87	0.96	1.02	1.03
Highest market price	1.12	1.12	1.12	1.12	1.12
Lowest market price	1.12	1.12	1.12	1.12	1.02
Year end market price	1.12	1.12	1.12	1.12	1.12