



31 August, 2016

KGF Announces Unaudited Results for First Six Months of 2016

The directors of Kinetic Growth Fund Limited (KGF) today announced the company's financial results for the first 6 months of the 2016 financial year.

Tabled below are the key performance indicators for this 6-month period in comparison with the corresponding 2015 period

| | Holding Company | | Group | |
|------------------|-----------------|-----------|-----------|-----------|
| | 2015 (\$) | 2016 (\$) | 2015 (\$) | 2016 (\$) |
| Income | 66,066 | 156,664 | 401,913 | 538,332 |
| Profit after Tax | 14,793 | 115,702 | (18,022) | 196,886 |
| Net Assets | 1,854,387 | 1,987,995 | 1,849,986 | 2,002,213 |

| Group Performance Metrics | 2015 (\$) | 2016 (\$) | Δ (%) |
|---------------------------|-----------|-----------|-------|
| Net Assets | 1,849,986 | 2,002,213 | 8% |
| Earnings per Share | (0.005) | 0.056 | n/a |
| Net Asset per Share | 0.52 | 0.56 | 8% |
| Share Price | 0.42 | 0.45 | 7% |
| Discount to NAV | 19% | 20% | |

The Group results include consolidation of subsidiary company, Oceanic Communications Limited. However, Holding Company results are regarded as more meaningful for performance analysis of KGF.

Highlights for the 6-month period compared with the corresponding period in 2015 include the following:

- The change of name to *Kinetic Growth Fund Limited*, as approved at the last AGM, was completed.

The KGF board chair Erik Larson remarked, "*When we announced the name change, we indicated that the new company name reflects our focus on the energy of movement. This half year result--having net assets increased by 8% in twelve months--shows that the company has continued to move forward in creating value for shareholders.*"

- Revenue growth of 137% at the holding company level and a 33% increase for the group.
- Net asset growth of 7%. This was attributed mainly to unrealised capital gains in KGF's equity portfolio and the consideration of 30,000 shares of Kontiki Finance Limited (current market value \$48,000.00) for the change of name to Kinetic Growth Fund Limited.



- Investee company Oceanic Communications Limited (OCL) has had a successful first half of 2016 financial year.

More importantly for KGF's investors is that OCL has met all monthly accrued preference share dividend payments to KGF, providing the company with good cash flows.

Yours sincerely,

Erik Larson
Director

Griffon Emose
Company Secretary

**HALF YEAR UNAUDITED REPORT ANNOUNCEMENT
KINETIC GROWTH FUND LTD & its SUBSIDIARY
PROFIT & LOSS STATEMENT
FOR SIX MONTHS ENDED 30 JUNE 2016**

| | | CONSOLIDATED | | |
|---|-------|--------------------------------|--------------------------------------|--------------------------------|
| | | SIX MONTHS 30.06.16 | | SIX MONTHS 30.06.15 |
| | | \$ | *Increase/ Decrease % | \$ |
| OPERATING REVENUE | | | | |
| Sales Revenue | | 392,908 | 11% | 352,877 |
| Other Revenue | 1 | 145,424 | | 49,036 |
| Total Operating Revenue | | 538,332 | | 401,913 |
| Net Profit/Loss before Tax | | 213,792 | N/A | (20,798) |
| Income Tax Expense | | | | |
| Net Profit/Loss after Tax | | 213,792 | | (20,798) |
| Net Profit/Loss after Tax & Extraordinary Item | | 213,792 | | (20,798) |
| Minority Interest after tax | | 16,907 | | (2,776) |
| Net Profit/Loss after Extraordinary Item and Income Tax Attributable to Members of the Company | | 196,886 | N/A | (18,022) |
| Retained Profit at Beginning | | (1,744,963) | | (1,701,070) |
| (d) Total available for appropriation | | 0 | | 0 |
| (e) Ordinary dividend provided for | | 0 | | 0 |
| (f) Preference dividend provided for | | 0 | | 0 |
| (g) Transfer to general reserves | | 0 | | 0 |
| (h) Total appropriations | | 0 | | 0 |
| Retained profit at half year end | | (1,548,077) | | (1,719,092) |
| Earnings Per Share | | | | |
| Basic earnings per share | 6 (b) | 0.056 | | (0.005) |

Director: Erik Larson

Secretary: Griffon Emose

Signature: _____

Signature: _____

STATEMENT OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY
FOR SIX MONTHS ENDED 30 JUNE 2016

| | | | | CONSOLIDATED | | |
|--|-------|--|--|---------------------|------------------|-------------------|
| | | | | SIX MONTHS | Annual | SIX MONTHS |
| | | | | 30.06.16 | 31.12.15 | 30.06.15 |
| | | | | \$ | \$ | \$ |
| CURRENT ASSETS | | | | | | |
| Cash Assets | Note | | | 34,437 | 80,227 | 67,379 |
| Trade Receivables | 2 | | | 222,018 | 174,835 | 227,053 |
| Other receivables | | | | 0 | 15,158 | 1,072 |
| Inventories | | | | 0 | 0 | 0 |
| Prepayments | | | | 18,000 | 0 | 0 |
| Other assets | 3 | | | 56,011 | 4,259 | 115,456 |
| Total Current assets | | | | 330,466 | 274,479 | 410,959 |
| NON-CURRENT ASSETS | | | | | | |
| Property, plant and equipment | 4 | | | 14,739 | 19,270 | 22,147 |
| Long-term investment | 5 | | | 2,067,261 | 1,978,237 | 1,817,637 |
| Future income tax benefit | | | | 0 | 0 | 0 |
| Total Non-current Assets | | | | 2,082,000 | 1,997,507 | 1,839,784 |
| Total Assets | | | | 2,412,466 | 2,271,986 | 2,250,743 |
| CURRENT LIABILITIES | | | | | | |
| Trade payables | | | | 33,516 | 211,676 | 39,397 |
| Other payables and accruals | | | | 149,376 | 6,925 | 78,689 |
| Interest-bearing borrowings | | | | 0 | 256,021 | 282,671 |
| Provisions | | | | 0 | 0 | 0 |
| Other | | | | 0 | 0 | 0 |
| Total Current Liabilities | | | | 182,892 | 474,622 | 400,757 |
| NON-CURRENT LIABILITIES | | | | | | |
| (l) Term loan - secured | | | | 227,361 | 0 | 0 |
| - unsecured | | | | 0 | 0 | 0 |
| (m) Unsecured advance | | | | 0 | 0 | 0 |
| (n) Inter-company loan | | | | 0 | 0 | 0 |
| (o) Deferred tax liabilities | | | | 0 | 1,656 | 0 |
| (p) Provisions | | | | 0 | 0 | 0 |
| (q) Other | | | | 0 | 0 | 0 |
| Total Non-Current Liabilities | | | | 227,361 | 1,656 | 0 |
| Total Liabilities | | | | 410,253 | 476,278 | 400,757 |
| NET ASSETS | 6 (c) | | | 2,002,213 | 1,795,708 | 1,849,986 |
| EQUITY | | | | | | |
| Contributed equity | 6 (a) | | | 3,540,664 | 3,540,664 | 3,540,664 |
| Reserves | | | | | | |
| Retained profits/accumulated losses | | | | (1,548,077) | (1,744,963) | (1,719,092) |
| Total Outside Equity Interest in Controlled Entities | | | | 9,627 | 7 | 28,415 |
| TOTAL EQUITY | | | | 2,002,213 | 1,795,708 | 1,849,986 |

Director: Erik Larson

Secretary: Griffon Emose

Signature: _____

Signature: _____

**KINETIC GROWTH FUND LTD & it's SUBSIDIARY
STATEMENT OF CASH FLOWS
FOR SIX MONTHS ENDED 30 JUNE 2016**

| | CONSOLIDATED | |
|--|---------------------------------------|---------------------------------------|
| | SIX MONTHS 30.06.16 \$ | SIX MONTHS 30.06.15 \$ |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Cash Received from Trading activities | 422,899 | 361,741 |
| Cash Payments | (466,525) | (402,557) |
| Interest Paid/Received | 0 | 0 |
| Dividend Received | 46,315 | 14,847 |
| Net Vat Paid | (21,691) | (40,380) |
| Net Cash Inflow from Operating Activities | (19,002) | (66,349) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of Fixed Assets | 0 | (5,182) |
| Proceeds from Sale of Fixed Assests | 0 | 0 |
| Acquisition of Investment | (33,486) | (193,752) |
| Long Term Deposit | 0 | 0 |
| Audio Visual Production | 0 | 0 |
| Proceed from Sale of Associate | 0 | 0 |
| Proceed from Sale of Investment | 41,498 | 0 |
| Net Cash (Outflow) from Investing activities | 8,012 | (198,934) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend Paid | 0 | 0 |
| Secured Loan | 0 | 0 |
| Proceeds from Issue of Shares | 0 | 0 |
| Proceeds from Borrowings | 0 | 219,515 |
| Loan Repayment | (34,799) | (34,365) |
| Repayment of Lease Principal | 0 | 0 |
| Net Cash (Outflow)/Inflow from Financing Activities | (34,799) | 185,150 |
| NET INCREASE/(DECREASE) IN CASH HELD | (45,790) | (80,134) |
| Cash/(Overdraft) at beginning | 80,227 | 147,513 |
| Effects of exchange rate changes on opening cash balances | | |
| Cash/(Overdraft) at end | 34,437 | 67,379 |

Director: Erik Larson

Signature: _____

Secretary: Griffon Emose

Signature: _____

| Notes: | GROUP | |
|--|-------------------------|-------------------------|
| | SIX MONTHS | |
| | <u>2016</u> | <u>2015</u> |
| 1 OTHER REVENUE | | |
| Dividends Income | 46,315 | 33,954 |
| Unrealised gain | 47,084 | 15,082 |
| Realised Gains | 53 | 0 |
| Miscellaneous Income | 51,973 | 0 |
| | <u>145,424</u> | <u>49,036</u> |
| 2 CASH AND SHORT TERM DEPOSITS | | |
| Operating accounts | 26,394 | 46,862 |
| Trust Accounts | 7,572 | 20,076 |
| Cash on Hand | 471 | 441 |
| | <u>34,437</u> | <u>67,379</u> |
| 3 OTHER ASSETS | | |
| Other Receivables | 25,880 | 19,108 |
| Prepayments | | 2,000 |
| Deposit Paid | 6,927 | 6,927 |
| Deffered Tax Assets | 4,259 | 87,421 |
| | <u>37,065</u> | <u>115,456</u> |
| 4 PROPERTY, PLANT AND EQUIPMENT | | |
| At Cost | 192,932 | 191,358 |
| Less Accumulated Dep | (178,192) | (169,211) |
| Book Value | <u>14,739</u> | <u>22,147</u> |
| 5 LONG TERM INVESTMENTS | | |
| i-Pac Communications Limited | 43,277 | 43,277 |
| Halabe Investments Limited | 958,184 | 926,330 |
| Pleass Global Limited | 300,000 | 258,266 |
| Fiji Gas Limited | 429,240 | 360,403 |
| FMF Foods | 71,618 | 41,752 |
| The Rice Company of Fiji Limited | 0 | 1,197 |
| FijiCare Insurance Limited | 128,971 | 108,670 |
| Atlantic and Pacific Packaging Limited | 0 | 7,109 |
| Communications Fiji Limited | 0 | 27,981 |
| VB Holdings Limited | 48,559 | 42,653 |
| Vision Investments Limited | 29,600 | 0 |
| Toyota Tshusho (South Sea) Ltd | 9,811 | 0 |
| Kontiki Finance Limited | 48,000 | 0 |
| | <u>2,067,261</u> | <u>1,817,637</u> |

All investments have been designated as fair value. Movement in fair value during the reporting period has been recognised in the income statement.

| 6 (a) SHARE CAPITAL | Currently | |
|--|---------------------------|---------------------------|
| | <u>Diluted</u> | <u>Issued</u> |
| <u>Authorised Capital</u> | | |
| 100,000,000 ordinary shares of \$1.00 each | <u>100,000,000</u> | <u>100,000,000</u> |
| <u>Issued and Paid up Capital</u> | | |
| 3,500,000 ordinary shares of \$1.00 each | 3,500,000 | 3,500,000 |
| 25,205 ordinary shares of \$1.09 each | 27,514 | 27,514 |
| 13,150 ordinary shares of \$1.00 each | 13,150 | 13,150 |
| 118,552 ordinary shares of \$0.49 each | 58,090 | |
| | <u>3,598,754</u> | <u>3,540,664</u> |

(b) **EARNINGS PER SHARE**

| | | |
|--|--------------|--------------|
| Operating Loss / Profit after income tax | 196,886 | 196,886 |
| Number of Shares outstanding | 3,598,754 | 3,540,664 |
| Basic earnings per share | <u>0.055</u> | <u>0.056</u> |

Basic earnings per share amounts are calculated by dividing net profit / (loss) for this first half of FY2016 attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing net profit/(loss) attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding after adjusting for KGF shares to be issued to Kontiki Capital Ltd (the Manager) as payment of performance fees, as discussed at the last AGM. Issuance of these shares is currently being processed.

(c) **NET ASSETS PER SHARE**

| | | |
|------------------------------|--------------|--------------|
| Net Assets | 2,060,319 | 2,002,213 |
| Number of Shares outstanding | 3,598,754 | 3,540,664 |
| | <u>0.573</u> | <u>0.565</u> |

Basic net asset per share amounts are calculated by dividing net asset value for this first half of FY2016 attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted net asset per share amounts are calculated by dividing net asset value for the first half of FY2016 attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding after adjusting for the performance incentive with the Kontiki Capital Limited (the manager) are issued.