



3 September, 2019

KGF Announces Unaudited Results for First Six Months of 2019

The Directors of Kinetic Growth Fund Limited (KGF) announce that for the first six months of the 2019 financial year, the Company's financial results indicate growth in Holding Company net asset backing per share of 3.6% compared with the corresponding period in 2018. Although the consolidated financial statements show a net loss per share for the period of (\$0.02), that loss reflects year-to-date losses in consolidated subsidiary companies.

The table below provides performance indicators for the six-month period ended 30 June, 2019 in comparison with the corresponding period in 2018.

The Group results include consolidation of subsidiary companies, Oceanic Communications Pte Ltd and Drone Services (Fiji) Pte Ltd. However, the Directors and Manager of KGF regard Holding Company results as more meaningful for performance analysis of KGF.

	Holding Company		Group	
	2018 (\$)	2019 (\$)	2018 (\$)	2019 (\$)
Income	444,710	322,275	784,173	668,793
Net Profit After Tax	(7,070)	110,734	87,676	(58,925)
Net Assets	3,528,973	3,659,604	3,551,570	3,679,927

	2018 (\$)	2019 (\$)	% Change
Net Assets*	3,551,570	3,679,927	3.6%
Earnings Per Share	0.02	(0.001)	(104.1%)
Net Assets Per Share*	0.99	1.02	3.0%
Share Price	0.85	1.12	31.8%
(Discount)/Premium to NAV	(14.1%)	9.8%	N/A

** It should be noted that in a typical year, any performance fee would have been paid out during the first six months of the financial year, whereas the performance fee for 2018 was not paid to the Manager until August, 2019. To assist shareholders who want this information, the Net Assets and Net Assets Per Share as at 30 June, 2019 would have been \$3,445,223 and \$0.96 respectively if this payout had happened during this period.*

Highlights for the six-month period compared with results for the corresponding period in 2018, include the following:

- Revenue declined by 27.5% at the Holding Company level and was 14.7% lower for the Group.
- Earnings per share at the Holding Company Level increased from (\$0.02) to \$0.03.
- The Holding Company recorded a net profit of \$110,734 as at 30 June, 2019, compared with a net loss of \$7,070 for the corresponding period in 2018.

- KGF received a substantial dividend of \$200,000 from its investee company, Halabe Investments Ltd (HIL). HIL declared this dividend as a result of having realised proceeds on the sale of some of its assets and gains on these assets. The sale was in accordance with HIL's strategy of selling off assets to realise value, as previously announced.
- Investee company, Oceanic Communications Pte Ltd (OCL), recorded a loss for the first half of the year of \$43,459. The result reflected a constrained operating environment for the advertising industry generally. There was also a significant increase in rent expense, due to both a higher rental rate at its newly-refurbished office and to OCL taking up additional floor space to improve office workflow and better position the company for future growth.

Importantly for KGF's investors, OCL met all its monthly preference share dividend payments to KGF.

- Investee company, Drone Services (Fiji) Pte Ltd (DSF), recorded a loss for the first half of the year of \$106,670. As a new company, DSF was expected to be loss-making in the initial years as the company consolidates its business and builds its customer base.

Encouragingly, DSF has signed up significant new business, including with international clients working in Fiji and the region.

- Overall, the Group recorded net asset growth of 3.6% to \$3,679,927 compared with the same period in 2018.
- As at 30 June, 2019, KGF shares were trading at \$1.12 per share, a 9.8% premium to net asset value. This was a significant improvement compared with the share price on 30 June, 2018 of \$0.85 per share, which was a 14.1% discount to the net asset value at that time.

Yours sincerely,



Erik Larson
Director



Griffon Emose
Company Secretary



**KINETIC GROWTH
FUND**


3 September, 2019

FOR PUBLIC RELEASE

Annexure D: Half Year Accounts

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE, 2019**


		Consolidated		
		FY2019 Half Year	% Change	FY2018 Half Year
1 OPERATING REVENUE				
	Sales Revenue	306,622	-13.2%	353,195
	Other Revenue	362,171	-16.0%	430,978
	Total Operating Revenue	668,793	-14.7%	784,173
2	Net Profit/Loss before Tax	(58,925)	-167.2%	87,676
	Income Tax Expense	0	n/a	0
	Net Profit/Loss after Tax	(58,925)	-167.2%	87,676
3	OEI in net profit after tax	(55,862)	-494.1%	14,173
	Net Profit/Loss after Tax Attributable to Members of the Company	(3,064)	-104.2%	73,503
	Opening retained profit	(84,930)	33.8%	(63,492)
	Ordinary dividend	0	-100.0%	(71,595)
	Closing retained profit	(87,994)	42.9%	(61,584)
4 EARNINGS PER SHARE				
	Basic earnings per share	(0.001)	-104.1%	0.021
	Diluted earnings per share	(0.001)	-104.1%	0.021


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Director


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Director

**STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 30 JUNE, 2019**

	Consolidated		
	FY2019 Half Year	FY2018 As at 31 Dec. 2018	FY2018 Half Year
5 CURRENT ASSETS			
Cash Assets	1,009,741	627,124	1,108,107
Trade receivables	2,785	461,622	183,903
Receivables from related parties	35,528	0	432
Other assets	40,073	0	16,744
Total Current Assets	1,088,126	1,088,746	1,309,186
6 NON CURRENT ASSETS			
Property, plant and equipment	289,895	288,367	7,029
Long-term investment	2,858,317	2,948,224	2,645,407
Other	161,194	11,318	29,406
Total Non-Current Assets	3,309,407	3,247,909	2,681,842
TOTAL ASSETS	4,397,533	4,336,655	3,991,028
7 CURRENT LIABILITIES			
Trade payables	127,185	385,233	18,509
Other payables and accruals	26,965	0	262,523
Current tax liabilities	14,501	6,962	0
Interest-bearing borrowings	5,314	15,836	0
Payables to related parties	281,550	0	0
Provisions	46,696	0	0
Other	31,729	8,819	0
Total Current Liabilities	533,941	416,849	281,032
8 NON CURRENT LIABILITIES			
Term loan – secured	42,886	35,800	0
Payables to related parties	12,872	12,872	0
Deferred tax liabilities	127,907	127,907	158,425
Total Non-Current Liabilities	183,665	176,579	158,425
TOTAL LIABILITIES	717,606	593,428	439,457
NET ASSETS	3,679,927	3,743,226	3,551,570
9 EQUITY			
Contributed equity	3,572,557	3,572,557	3,481,036
Current year earnings	(3,064)	50,157	73,503
Dividends paid	0	(71,595)	0
Retained profits/accumulated losses	(84,930)	(63,492)	(61,547)
Equity Attributable to Members	3,484,563	3,487,627	3,492,992
OEI in Controlled Entities			
Contributed equity	204,126	204,126	50,000
Current year earnings	(55,862)	21,150	14,173
Adjustment	(4,373)	0	0
Retained profits/accumulated losses	51,473	30,323	(5,595)
Total Outside Equity Interest in Controlled Entities	195,364	255,599	58,578
TOTAL EQUITY	3,679,927	3,743,226	3,551,570


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Director


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Director

**STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE, 2019**

10 CASH FLOW FROM OPERATING ACTIVITIES

Cash Received from Trading activities
Cash Payments
Dividend Received
Interest Paid
Net VAT Paid
Net Cash Inflow from Operating Activities

Consolidated	
FY2019 Half Year	FY2018 Half Year
(58,925)	339,077
(470,446)	(469,586)
201,885	258,880
1	0
0	(17,285)
(327,486)	111,086

11 CASH FLOW FROM INVESTING ACTIVITIES

Acquisition of Fixed Assets
Proceeds from Sale of Fixed Assets
Net Cash (Outflow) from Investing Activities

(67,321)	(10,884)
0	417,913
(67,321)	407,029

12 CASH FLOW FROM FINANCING ACTIVITIES

Dividends Paid
Proceed from Issue/Buy-back of Shares
Net Cash (Outflow)/Inflow from Financing Activities

0	(71,595)
296,442	(3,630)
296,442	(75,225)

13 NET INCREASE/(DECREASE) IN CASH HELD

Cash/(Overdraft) as at 1 July 2018
Cash/(Overdraft) as at 30 June, 2018

(98,365)	442,889
1,108,107	665,217
1,009,741	1,108,107



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Director



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Director