

KENCANA AGRI LIMITED

(Registration Number: 200717793E)



UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

1 (a) (i) Income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Income Statement

	Jan - Dec		
	2019	2018	Change
	US\$'000	US\$'000	%
Continuing operations			
Revenue	104,065	124,981	-17%
Cost of sales	(81,720)	(100,636)	-19%
Gross profit	22,345	24,345	-8%
Fair value changes of biological assets and other receivables, net	8,776	(7,009)	n/m
Distribution costs	(2,569)	(2,148)	20%
Administrative expenses	(8,692)	(9,745)	-11%
Other (losses)/gains, net	(3,912)	1,479	n/m
Operating profit	15,948	6,922	130%
Gain/(loss) on foreign exchange	7,570	(14,409)	n/m
Fair value changes of derivative financial instruments	-	287	n/m
Interest income	3,348	3,680	-9%
Interest expense	(20,470)	(19,057)	7%
Share of results from equity-accounted joint ventures	(4,992)	(1,803)	177%
Profit/(Loss) before income tax	1,404	(24,380)	n/m
Income tax (expense)/benefit	(11,790)	3,226	n/m
Loss from continuing operations	(10,386)	(21,154)	-51%
Discontinued operations			
Loss from discontinued operations	(2,435)	(2,694)	-10%
Net loss for the year	(12,821)	(23,848)	-46%

n/m : not meaningful

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1 (a) (ii) Net profit/(loss) is arrived at after charging/(crediting) the following significant items:

	Jan - Dec		
	2019	2018	Change
	US\$'000	US\$'000	%
Depreciation and amortisation expenses	17,050	15,581	9%
(Gain)/Loss on foreign exchange	(7,570)	14,409	n/m
Fair value changes of derivative financial instruments	-	(287)	n/m
Interest expense	20,470	19,057	7%
Interest income	(3,348)	(3,680)	-9%
Fair value changes of biological assets	(9,253)	7,430	n/m
Fair value changes of other receivables	477	(421)	n/m
Loss/ (Gain) on disposal of property, plant and equipment	66	(40)	n/m
Impairment of property, plant and equipment	474	-	n/m
Loss on disposal of assets held for sale	-	190	n/m
Loss/ (Gain) on disposal of bearer plants	11	(18)	n/m
Plasma management fee	(871)	-	n/m
Impairment of other receivables (joint venture)	4,120	-	n/m
Sale of waste	(789)	-	n/m
Tax assessment results	904	104	769%
<u>Additional information :</u>			
EBITDA (excluding fair value changes of biological assets)	23,888	11,314	111%

n/m : not meaningful

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1 (a) (iii) Statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Comprehensive Income

	Jan - Dec		
	2019	2018	Change
	US\$'000	US\$'000	%
Net loss for the year	(12,821)	(23,848)	-46%
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating IDR functional currency to US\$ presentation currency, net of tax	422	(2,494)	n/m
Items that may not be reclassified subsequently to profit or loss:			
Actuarial gain /(loss) on post-employment benefits	111	(84)	n/m
Total comprehensive loss for the year	<u>(12,288)</u>	<u>(26,426)</u>	-54%
Loss attributable to owners of the parent, net of tax	(12,821)	(23,848)	-46%
Loss attributable to non-controlling interests, net of tax	-	-	n/m
Loss for the year, net of tax	<u>(12,821)</u>	<u>(23,848)</u>	-46%
Total comprehensive loss attributable to owners of the parent	(12,288)	(26,426)	-54%
Total comprehensive loss attributable to non-controlling interests	-	-	n/m
Total comprehensive loss for the year	<u>(12,288)</u>	<u>(26,426)</u>	-54%

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1 (b) (i) Statement of financial position (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 31/12/19 US\$'000	As at 31/12/18 US\$'000	As at 31/12/19 US\$'000	As at 31/12/18 US\$'000
ASSETS				
Current assets:				
Cash and cash equivalents	22,349	17,351	33	20
Trade and other receivables	35,946	31,047	36,880	32,934
Inventories	12,135	12,976	-	-
Biological assets	15,315	5,681	-	-
Other assets	1,218	2,160	1	1
Assets held for sale	6,432	-	-	-
Total current assets	93,395	69,215	36,914	32,955
Non-current assets:				
Investments in subsidiaries	-	-	37,868	36,351
Investments in joint ventures	-	-	-	-
Other receivables	6,805	13,199	-	-
Property, plant and equipment	79,850	82,832	-	-
Investment property	-	2,350	-	-
Bearer plants	136,473	142,685	-	-
Land use rights	34,887	34,749	-	-
Deferred tax assets	6,460	11,657	-	-
Other assets	626	642	-	-
Total non-current assets	265,101	288,114	37,868	36,351
TOTAL ASSETS	358,496	357,329	74,782	69,306
LIABILITIES AND EQUITY				
Current liabilities:				
Tax payables	3,525	659	-	-
Trade and other payables	78,786	58,131	3,073	1,769
Finance leases	354	216	-	-
Other financial liabilities	65,096	73,331	-	-
Total current liabilities	147,761	132,337	3,073	1,769
Non-current liabilities:				
Deferred tax liabilities	1,903	383	-	-
Finance leases	272	127	-	-
Other financial liabilities	193,359	197,890	-	-
Other liabilities	5,345	4,448	-	-
Total non-current liabilities	200,879	202,848	-	-
Capital and reserves:				
Share capital	93,860	93,860	93,860	93,860
Other reserve	2,485	2,485	-	-
(Accumulated losses)/retained earnings	(44,752)	(32,042)	3,437	2,116
Translation reserve	(41,737)	(42,159)	(25,588)	(28,439)
Equity attributable to the owners of the parent	9,856	22,144	71,709	67,537
Non-controlling interests	-	-	-	-
Total equity	9,856	22,144	71,709	67,537
TOTAL LIABILITIES AND EQUITY	358,496	357,329	74,782	69,306

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1 (b) (ii) Aggregate amount of group's borrowings and debt securities.

	As at 31/12/2019 US\$'000	As at 31/12/2018 US\$'000
Amount due within one year		
Secured	<u>65,450</u>	<u>73,547</u>
Amount due more than one year		
Secured	<u>193,631</u>	<u>198,017</u>

The secured borrowings are secured by way of negative pledges on certain deposits, inventories, trade receivables, land use rights, investment property, bearer plants, property, plant and equipment and biological assets of the Group.

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1 (c) Statement of cash flows (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Jan - Dec	
	2019 US\$'000	2018 US\$'000
Cash flows from operating activities		
Profit/(Loss) before income tax from continuing operations	1,404	(24,380)
Loss before tax from discontinued operations	(2,435)	(2,694)
Loss before tax, total	(1,031)	(27,074)
Adjustments for:		
Interest income	(3,348)	(3,680)
Interest expense	20,470	19,057
Amortisation of land use rights	1,353	1,212
Depreciation expense	15,697	14,369
Fair value changes in biological assets	(9,253)	7,430
Fair value changes in other receivables	477	(421)
Loss/(Gain) on disposal of bearer plants	11	(18)
Increase in provision for employment pension benefits	822	350
Loss on disposal of property, plant and equipment	66	(40)
Loss on disposal of assets held for sale	-	190
Impairment allowance on property, plant and equipment	474	-
Gain on disposal of subsidiary	-	(92)
Impairment on other receivables (joint venture)	4,120	-
Share of results from equity-accounted joint ventures from continuing operations	(4,992)	(1,803)
Share of results from equity-accounted joint ventures from discontinued operations	(2,435)	(2,694)
Net effect of exchange rate changes in consolidating entities	(6,722)	9,191
Operating cash flows before changes in working capital	30,563	24,971
Inventories	1,382	(5,128)
Trade and other receivables	(1,279)	832
Other assets	1,075	1,324
Trade and other payables	15,747	17,500
Other financial liabilities	-	(287)
Net cash flows from operations before tax	47,488	39,212
Income taxes paid	(2,900)	(2,947)
Net cash flows from operating activities	44,588	36,265
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,618)	(9,909)
Disposal of property, plant and equipment	142	471
Disposal of assets held for sale	-	1,061
Additions to bearer plants	(1,200)	(2,958)
Disposal of bearer plants	-	842
Purchase of land use rights	(63)	(433)
Disposal of subsidiary	-	145
Interest received	849	568
Refundable deposit received in respect of discontinued operations	1,500	-
Net cash flows used in investing activities	(2,390)	(10,213)
Cash flows from financing activities		
Cash restricted in use	(576)	(9,323)
Proceeds from borrowings	299,547	229,775
Repayment of borrowings	(315,287)	(234,075)
Finance lease repayments	(134)	(242)
Interest paid	(21,886)	(20,293)
Net cash flows used in financing activities	(38,336)	(34,158)
Net increase/(decrease) in cash and cash equivalents	3,862	(8,106)
Net effect of exchange rate changes on cash and cash equivalents	700	(1,120)
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	7,466	16,692
Cash and cash equivalents, consolidated statement of cash flows, ending balance	12,028	7,466
Cash and cash equivalents included in consolidated statement of cash flows consist of the		
Balance as in statement of financial position (including cash restricted in use)	22,349	17,351
Less : Bank overdraft	(422)	(562)
Less : Restricted cash	(9,899)	(9,323)
Cash and cash equivalents for consolidated statement of cash flows purposes	12,028	7,466

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1 (d) (i) Statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	Share Capital	Accumulated	Translation	Other	Reserve on Post-		Non-Controlling	
	US\$'000	Losses	Reserve	Reserve	Employment	Total	Interests	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	Benefit	US\$'000	US\$'000	US\$'000
					US\$'000			
Balance as at 1/1/2019	93,860	(32,042)	(42,159)	2,485	-	22,144	-	22,144
Total comprehensive (loss)/income	-	(12,821)	422	-	111	(12,288)	-	(12,288)
Transferred to accumulated losses	-	111	-	-	(111)	-	-	-
Balance as at 31/12/2019	93,860	(44,752)	(41,737)	2,485	-	9,856	-	9,856

Balance as at 1/1/2018	93,860	(8,110)	(39,665)	2,485	-	48,570	-	48,570
Total comprehensive loss	-	(23,848)	(2,494)	-	(84)	(26,426)	-	(26,426)
Transferred to accumulated losses	-	(84)	-	-	84	-	-	-
Balance as at 31/12/2018	93,860	(32,042)	(42,159)	2,485	-	22,144	-	22,144

COMPANY	Share Capital	Retained	Translation	
	US\$'000	Earnings	Reserve	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1/1/2019	93,860	2,116	(28,439)	67,537
Total comprehensive income	-	1,321	2,851	4,172
Balance as at 31/12/2019	93,860	3,437	(25,588)	71,709

Balance as at 1/1/2018	93,860	5,652	(23,550)	75,962
Total comprehensive loss	-	(3,536)	(4,889)	(8,425)
Balance as at 31/12/2018	93,860	2,116	(28,439)	67,537

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1 (d) (ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There have been no changes in the Company's issued share capital since 31 December 2018. The Company has no outstanding share options, outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2019 and 31 December 2018.

The Company has not granted options or shares under during the financial period ended 31 December 2019.

1 (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares (the Company has not held any treasury shares):

As at 31 December 2019

287,011,177

As at 31 December 2018

287,011,177

1 (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1 (d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The financial statements have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.



3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer or opinion:- (a) Updates on the efforts taken to resolve each outstanding audit issue. (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issues that is a material uncertainty relating to going concern.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation have been applied in these unaudited financial statements as those applied in the most recently audited financial statements as at 31 December 2018, except for the adoption of the new or revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective for the financial year beginning on or after 1 January 2019. Further details are provided in note 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on the Statement of Financial Position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use ("ROU") asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the ROU asset.

The Group has assessed that there is no material impact upon the application of SFRS(I) 16 on the financial position and financial performance of the Group.

Biological assets valuation

During the financial year, the Group adopted and revised certain inputs to its valuation model for assessment of the fair value of biological assets. In accordance with SFRS(I) 8, this revision in estimates has been applied on a prospective basis.

The changes in estimates were as follows:-

- (a) Replacement of depreciation expense with reserve for replacement cost in line with current valuation practices. The effect of this change in current period is an increase in fair value of US\$3.4 million.
- (b) Use of December 2019 published prices instead of January 2020 published prices to improve the timeliness of closure of accounts. The effect of this change in current period is a decrease in fair value of US\$4.5 million.

The effect in future periods is not disclosed as estimating it is impracticable. This is dependent on the estimate of the projected volumes of FFB harvested which is based on management inspection on the actual condition of un-harvested FFB growing on the trees as at the valuation date.

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6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Jan - Dec	
	2019 US Cents	2018 US Cents
Loss per share for the year		
(a) based on weighted average number of shares		
from continuing operations	(3.62)	(7.37)
from discontinued operations	(0.85)	(0.94)
Total loss per share attributable to ordinary equity holders of the Company	(4.47)	(8.31)
(b) based on a fully diluted basis		
from continuing operations	(3.62)	(7.37)
from discontinued operations	(0.85)	(0.94)
Total diluted loss per share attributable to ordinary equity holders of the Company	(4.47)	(8.31)
Weighted number of shares	287,011,177	287,011,177

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	As at 31/12/2019 US Cents	As at 31/12/2018 US Cents	As at 31/12/2019 US Cents	As at 31/12/2018 US Cents
Net asset value per ordinary share	3.43	7.72	24.98	23.53
Number of shares outstanding	287,011,177	287,011,177	287,011,177	287,011,177

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of financial performance

Revenue and profit

The Group's revenue decreased by 17% from US\$125.0 million in 2018 to US\$104.1 million in 2019. The decrease was mainly due to lower Average Selling Price ("ASP") of Crude Palm Oil ("CPO") and lower sales volume. ASP of CPO decreased 10% from US\$498 in 2018 to US\$450 in 2019 and sales volume of CPO decreased by approximately 3% from 208,386 MT in 2018 to 201,526 MT in 2019. The Group recorded an Operating Profit ("OP") of US\$15.9 million and a Net Loss for the Year of US\$12.8 million in 2019. The Net Loss for the Year in 2019 was mainly due to lower ASP, impairment of receivables, share of loss from equity accounted joint venture and write off of deferred tax assets offset by fair value gain in biological assets and foreign exchange gain as a result of the IDR strengthening against the USD.

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Cost of operation

Cost of sales decreased by 19% from US\$100.6 million in 2018 to US\$81.7 million in 2019. The decrease was in line with the decrease in revenue. Gross profit was lower mainly due to lower ASP. CPO production decreased from 197,149 MT in 2018 to 187,899 MT in 2019.

Sales and distribution costs increased by 20% from US\$2.1 million in 2018 to US\$2.6 million in 2019 mainly due to an increase in freight costs.

The Group recorded a decrease in administrative expenses from US\$9.7 million in 2018 to US\$8.7 million in 2019 mainly to decrease in staff cost.

Other losses comprise mainly of impairment of receivables from equity accounted joint venture.

Interest income decreased by 9% from US\$3.7 million in 2018 to US\$3.3 million in 2019 mainly due to repayment of loans from equity accounted joint venture.

Increase in interest expenses mainly due to an increase in short-term borrowings.

Discontinued operations

As at 12 December 2019, the Company, together with its subsidiary, PT Sawindo Kencana (SWK), entered into a Conditional Sales and Purchase Agreement with PT Kencana Energi Lestari, TBK, for the sale and purchase of 78.5% of the issued shares and paid-up share capital of PT Cahaya Permata Gemilang (CPG). As at 31 December 2019, share of results for CPG group are accordingly presented in the consolidated income statement as "Discontinued Operations". The assets related to CPG have been presented as "Assets held for sale". The disposal is expected to be completed in 2020.

Review of financial position

Shareholders' equity decreased from US\$22.1 million as at 31 December 2018 to US\$9.9 million as at 31 December 2019 mainly due to the loss for the year of US\$12.3 million.

The Group's total current assets increased by US\$24.2 million from US\$69.2 million as at 31 December 2018 to US\$93.4 million as at 31 December 2019. Save for the movement in cash and cash equivalents as explained in the cash flow section below, the remaining movement in current assets arose mainly from:

- increase in biological assets amounting to US\$9.6 million due higher forecasted FFB selling price;
- long-term receivables from equity accounted joint venture and investment property amounting to US\$4.1 million and US\$2.3 million respectively reclassified to assets held for sale; and
- increase in trade and other receivables amounting to US\$4.9 million mainly due to transfer of bearer plants to plasma.

Total non-current assets decreased by US\$23.0 million from US\$288.1 million as at 31 December 2018 to US\$265.1 million as at 31 December 2019. This was mainly due to the following:

- decrease in other receivables amounting to US\$ 6.4 million mainly due to the impairment of receivables from equity accounted joint venture and the reclassification to assets held for sale;
- decrease in deferred tax assets amounting to US\$5.2 million mainly due to write off of deferred tax assets;
- decrease in bearer plants of US\$6.2 million mainly due to depreciation and transfer of bearer plants to plasma; and
- decrease in property, plant and equipment of US\$ 3.0 million mainly due to depreciation.

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The Group's total current liabilities increased by US\$15.5 million from US\$132.3 million as at 31 December 2018 to US\$147.8 million as at 31 December 2019. This was mainly due to the following:

- a) increase in trade and other payables amounting to US\$20.7 million due to longer repayment cycle to suppliers and increase in advances from customers;
- b) increase in income tax payables of US\$2.9 million due to additional tax payable recognised in relation to subsidiaries making profit for the year; and
- c) decrease in other financial liabilities of US\$8.2 million due to decrease in current portion of long - term borrowings as a result of refinancing activities.

Total non-current liabilities remained fairly stable between 31 December 2019 and 31 December 2018.

The Group reported negative working capital of US\$54.4 million as at 31 December 2019. This was mainly due to a portion of borrowings used to invest in plantation assets.

Review of group cash flows

The closing cash and cash equivalents (net of bank overdrafts and cash pledged) of the Group increased by US\$4.5 million from US\$7.5 million as at 31 December 2018 to US\$12.0 million as at 31 December 2019. The increase was due to net cash inflow from operating activities offset by net cash outflow from investing and financing activities.

The Group's operating cash flows was higher by US\$8.3 million in 2019 as compared to 2018 mainly due to lower losses incurred for the year.

The Group reported a net cash outflow used in investing activities of US\$2.4 million in 2019 mainly due to purchase of property, plant and equipment. Net cash flows used in financing activities was US\$38.3 million mainly due to repayments of borrowings and interest offset by proceeds from new borrowings.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In the later part of 4Q2019, palm oil prices strengthened due to lower production and the increased biodiesel mandate in Indonesia (B30) and Malaysia (B20). This improvement in CPO prices continued into the beginning of 2020 until February until it was impacted by the coronavirus epidemic. How this will pan out for the year remains uncertain. We will continue to focus on our operational efficiency.

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11. Dividend

(a) *Current Financial Period Reported On*

Nil

(b) *Corresponding Period of the Immediately Preceding Financial Year*

Nil

(c) *Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).*

Not applicable

(d) *Date payable*

Not applicable.

(e) *Books closure date*

Not applicable.

12. *If no dividend has been declared/recommended, a statement to that effect and the reason for the decision*

In view of the current market condition and the expected capital expenditure for 2020, no dividend has been declared or recommended for the financial year ended 31 December 2019.

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13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		2019	2019
		<u>US\$'000</u>	<u>US\$'000</u>
Wilmar Group ⁽¹⁾ (Sales)	Controlling shareholder	-	7,799
Wilmar Group ⁽¹⁾ (Purchases)	Controlling shareholder	-	463
Wilmar Group ⁽²⁾ (Interest)	Controlling shareholder	189	-
PT Berkati Wahana Sukses ⁽³⁾ (Services Received)	Associate of Maknawi family	222	-
PT Berkati Wahana Sukses ⁽⁴⁾ (Services Received, shareholders' mandate obtained at EGM held on 29 April 2019)	Associate of Maknawi family	1,777	-
PT Kencana Energi Lestari, TBK ⁽⁵⁾ (Interest)	Associate of Maknawi family	92	-
PT Paramata Indrah Lestari ⁽⁵⁾ (Interest)	Associate of Maknawi family	174	-

⁽¹⁾ In respect of transactions conducted pursuant to General Mandate for transactions with Willmar Group.

⁽²⁾ In respect of interest paid on trade payables due to Wilmar Group.

⁽³⁾ In respect of transportation services obtained from PT Berkati Wahana Sukses. The Maknawi family is the controlling shareholder PT Berkati Wahana Sukses.

⁽⁴⁾ In respect of transactions conducted pursuant to Specific Mandate for transactions PT Berkati Wahana Sukses.

⁽⁵⁾ In respect of loans obtained from PT Kencana Energi Lestari, TBK and PT Paramata Indrah Lestari. The Maknawi family is the controlling shareholder of both PT Kencana Energi Lestari, TBK and PT Paramata Indrah Lestari.

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14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group is primarily in the Oil Palm plantation business. The core business consists of cultivation of oil palm trees, processing of fresh fruit bunches into crude palm oil and palm kernel and the sale of crude palm oil and palm kernel. In 2018, the Group had ceased its logistics operations with the exception of bulking business which is not significant. Accordingly, no segmental information is presented.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

17. A breakdown of sales

		The Group		
		2019 US\$'000	2018 US\$'000	Increase/ (Decrease) US\$'000
(a)	Sales reported for the first half year	45,676	57,331	(11,655)
(b)	Operating profit before deducting non-controlling interests reported for the first half year	3,784	2,525	1,259
(c)	Sales reported for the second half year	58,389	67,650	(9,261)
(d)	Operating profit before deducting non-controlling interests reported for the second half year	12,164	4,397	7,767

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

No dividend has been declared or recommended for the financial years ended 31 December 2019 and 2018.

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19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family Relationship with any Director, Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties held, if any, during the year
Albert Maknawi	39	Son of Henry Maknawi (Executive Chairman) Nephew of Ratna Maknawi (Executive Vice-Chairman)	<u>Chief Executive Officer</u> <u>2018</u> Responsible for the overall business strategies and policies of the Group <u>Chief Operating Officer</u> <u>2011</u> Oversees the Group's overall operational activities. <u>Director of subsidiaries:</u> <u>2018</u> PT. Wira Palm Mandiri PT. Sawit Permai Lestari <u>2015</u> Global Eastern Capital Pte. Ltd. <u>2010</u> PT. Bumi Permai Sentosa <u>2007</u> Sawindo Agri Pte. Ltd. <u>Director of Joint Venture Company:</u> <u>2014</u> Kencana Bio-Energy Pte. Ltd. <u>Director of subsidiary of Joint Venture Company</u> <u>2010</u> PT. Cahaya Permata Gemilang <u>Commissioner of subsidiary:</u> <u>2018</u> PT. Kencana Agro Jaya	No change

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Name	Age	Family Relationship with any Director, Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties held, if any, during the year
			<u>Commissioner of subsidiaries of Joint Venture Companies:</u> <u>2018</u> PT. Belitung Energy PT. Listrindo Kencana <u>2014</u> PT. Energy Cipta Usaha PT. Energy Karya Persada	
Ajis Chandra	56	Brother-in-law of Henry Maknawi (Executive Chairman) Husband of Ratna Maknawi (Executive Vice-Chairman)	<u>Director of subsidiaries :</u> <u>2010</u> PT. Bumi Permai Sentosa <u>2007</u> Kencana Logistics Pte. Ltd.	Resignation as Head of Bulking & Logistics Appointment as Advisor to Executive Vice-Chairman
Augyawati Joe	40	Niece of : - Henry Maknawi (Executive Chairman) - Ratna Maknawi (Executive Vice-Chairman)	<u>Director of the subsidiaries :</u> <u>2015</u> Global Eastern Capital Pte. Ltd. <u>2008</u> Kencana Bio-Energy Pte. Ltd. Sawindo Agri Pte. Ltd. Kencana Logistics Pte. Ltd. Kencana Plantations Pte. Ltd.	No change
Eddy Maknawi	57	Brother of Henry Maknawi (Executive Chairman) Brother of Ratna Maknawi (Executive Vice-Chairman)	<u>Head of Procurement</u> <u>2008</u> In charge of the Group's procurement. <u>Director of subsidiaries :</u> <u>2015</u> PT Mentari Bangun Persada <u>2010</u> PT. Sawit Permai Lestari PT. Wira Palm Mandiri <u>Commissioner of subsidiaries:</u> <u>2015</u> PT Loka Indah Lestari PT Karunia Sawit Permai	No change

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Name	Age	Family Relationship with any Director, Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties held, if any, during the year
			<u>2010</u> PT. Wira Mas Permai PT. Palm Makmur Sentosa PT. Langgeng Nusa Makmur PT. Listrindo Kencana PT. Belitung Energy PT. Agro Mas Lestari <u>2007</u> PT. Sawindo Cemerlang PT. Wira Sawit Mandiri	

BY ORDER OF THE BOARD

Henry Maknawi

Executive Chairman

28 February 2020