

# KENCANA AGRI LIMITED

(Registration Number: 200717793E)



## UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

**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		Change %
	2016 US\$'000	2015 Restated US\$'000	
<b>Revenue</b>	138,581	131,844	5%
Cost of sales	(118,962)	(113,834)	5%
<b>Gross profit</b>	19,619	18,010	9%
Fair value changes of biological assets and other receivables, net	4,746	(6,151)	n/m
Distribution costs	(2,423)	(1,753)	38%
Administrative expenses	(9,695)	(9,908)	-2%
Other (losses)/gains, net	(1,443)	66	n/m
<b>Operating profit</b>	10,804	264	3992%
Loss on foreign exchange	(2,570)	(16,722)	-85%
Fair value changes of derivative financial instruments	1,983	(2,013)	n/m
Interest income	2,971	2,981	0%
Interest expense	(19,269)	(16,654)	16%
Share of results of joint ventures	173	(2,117)	n/m
<b>Loss before income tax</b>	(5,908)	(34,261)	-83%
Income tax (expense)/benefit	(3,002)	3,978	n/m
<b>Net loss for the period</b>	(8,910)	(30,283)	-71%

*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		Change %
	2016 US\$'000	2015 Restated US\$'000	
Depreciation and amortisation expenses	15,534	12,474	25%
Loss on foreign exchange	2,570	16,722	-85%
Fair value changes of derivative financial instruments	(1,983)	2,013	n/m
Interest expense	19,269	16,654	16%
Interest income	(2,971)	(2,981)	0%
Fair value changes of biological assets	(4,726)	5,685	n/m
Fair value changes of other receivables	(20)	466	n/m
Gain on biological asset transfer to plasma	11	-	n/m
Loss on disposal of property, plant and equipment	40	16	150%
Impairment loss of property, plant and equipment	848	172	393%
Inventories written-off	104	-	n/m
Provision for doubtful debts	-	38	n/m
(Over)/under adjustments to current tax in respect of prior period	110	(2)	
<u>Additional information :</u>			
EBITDA (exclude gain from fair value changes of biological assets)	21,198	(2,429)	n/m

*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		Change %
	2016 US\$'000	2015 Restated US\$'000	
Net loss for the period	(8,910)	(30,283)	-71%
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating IDR functional currency to US dollar presentation currency and foreign operation's financial statements	2,355	(148)	n/m
<b>Items that may not be reclassified subsequently to profit or loss:</b>			
Actuarial income on post-employment benefits	239	552	-57%
Total comprehensive loss for the period	<u>(6,316)</u>	<u>(29,879)</u>	-79%
Loss attributable to owners of the parent, net of tax	(8,910)	(30,283)	-71%
Loss attributable to non-controlling interests, net of tax	-	-	n/m
Loss for the period, net of tax	<u>(8,910)</u>	<u>(30,283)</u>	-71%
Total comprehensive loss attributable to owners of the parent	(6,316)	(29,879)	-79%
Total comprehensive loss attributable to non-controlling interests	-	-	n/m
Total comprehensive loss for the period	<u>(6,316)</u>	<u>(29,879)</u>	-79%

*n/m : not meaningful*

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**1 (b) (i) A 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 31/12/2016	As at 31/12/2015	As at 01/01/2015	As at 31/12/2016	As at 31/12/2015
	US\$'000	Restated US\$'000	Restated US\$'000	US\$'000	US\$'000
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	13,302	8,687	14,124	309	724
Trade and other receivables	22,490	22,841	16,335	22,002	21,666
Inventories	10,031	11,161	11,729	-	-
Biological assets	9,965	5,126	11,802	-	-
Other assets	4,188	8,814	11,382	1	2
Asset held for sale	8,697	-	-	5,938	-
<b>Total current assets</b>	<b>68,673</b>	<b>56,629</b>	<b>65,372</b>	<b>28,250</b>	<b>22,392</b>
<b>Non-current assets:</b>					
Investments in subsidiaries	-	-	-	39,455	38,429
Investments in joint ventures	-	6,169	5,523	-	5,755
Other receivables	21,000	19,520	16,276	-	-
Property, plant and equipment	91,163	90,985	96,767	-	-
Investment property	2,403	2,430	2,460	-	-
Bearer plants	160,819	155,856	161,457	-	-
Land use rights	38,282	35,301	38,386	-	-
Deferred tax assets	9,108	8,739	5,168	-	-
Other assets	737	761	844	-	-
<b>Total non-current assets</b>	<b>323,512</b>	<b>319,761</b>	<b>326,881</b>	<b>39,455</b>	<b>44,184</b>
<b>TOTAL ASSETS</b>	<b>392,185</b>	<b>376,390</b>	<b>392,253</b>	<b>67,705</b>	<b>66,576</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities:</b>					
Income tax payables	3,291	1,867	2,334	-	-
Trade and other payables	46,966	52,984	53,977	2,110	2,074
Finance leases	353	422	1,235	-	-
Other financial liabilities	44,271	49,720	40,435	-	-
<b>Total current liabilities</b>	<b>94,881</b>	<b>104,993</b>	<b>97,981</b>	<b>2,110</b>	<b>2,074</b>
<b>Non-current liabilities:</b>					
Trade and other payables	6,815	11,189	9,484	-	-
Deferred tax liabilities	1,180	-	1,304	-	-
Finance leases	81	188	598	-	-
Other financial liabilities	241,304	206,265	198,868	-	-
Other liabilities	4,317	3,832	4,216	-	-
<b>Total non-current liabilities</b>	<b>253,697</b>	<b>221,474</b>	<b>214,470</b>	<b>-</b>	<b>-</b>
<b>Capital and reserves:</b>					
Share capital	93,860	93,860	93,860	93,860	93,860
Other reserve	2,485	2,485	2,485	-	-
Retained earnings/(accumulated losses)	(13,340)	(4,669)	25,057	(5,384)	(4,751)
Translation reserve	(39,398)	(41,753)	(41,605)	(22,881)	(24,607)
Equity attributable to the owners of the parent	43,607	49,923	79,797	65,595	64,502
Non-controlling interests	-	-	5	-	-
<b>Total equity</b>	<b>43,607</b>	<b>49,923</b>	<b>79,802</b>	<b>65,595</b>	<b>64,502</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>392,185</b>	<b>376,390</b>	<b>392,253</b>	<b>67,705</b>	<b>66,576</b>

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

	As at 31/12/2016 US\$'000	As at 31/12/2015 US\$'000
Amount due within one year		
Secured	<u>44,624</u>	<u>50,142</u>
Amount due more than one year		
Secured	<u>241,385</u>	<u>206,453</u>

The secured borrowings are secured by certain inventories, trade receivables, land use rights, investment property, biological assets, and property, plant and equipment of the Group.

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

	Jan - Dec	
	2016	2015
	US\$'000	Restated US\$'000
<b>Cash flows from operating activities</b>		
<b>Loss before tax</b>	(5,908)	(34,261)
Adjustments for:		
Interest income	(2,971)	(2,981)
Interest expense	19,269	16,654
Amortisation of land use rights	1,155	1,130
Depreciation expense	14,379	11,344
Fair value changes in biological assets	(4,726)	5,685
Fair value changes in other receivables	(20)	466
Impairment loss on property, plant and equipment	848	172
Increase in provision for employment pension benefits	622	750
Loss on disposal of property, plant and equipment	40	16
Gain on transfer of biological assets to plasma	(44)	-
Share of result of equity-accounted joint ventures	(173)	2,117
Net effect of exchange rate changes in consolidating entities	1,267	6,313
<b>Operating cash flows before changes in working capital</b>	<b>23,738</b>	<b>7,405</b>
Inventories	1,428	568
Trade and other receivables	(2,634)	(12,737)
Other assets	4,906	2,651
Trade and other payables	(12,107)	712
Other financial liabilities	(1,738)	1,785
Net cash flows from operations before tax	13,593	384
Income taxes paid	(584)	(534)
<b>Net cash flows from/(used in) operating activities</b>	<b>13,009</b>	<b>(150)</b>
<b>Cash flows used in investing activities</b>		
Disposal of property, plant and equipment	1,736	1,415
Proceeds from transfer of bearer plants to plasma	1,699	-
Purchase of property, plant and equipment	(9,393)	(12,827)
Additions to bearer plants	(2,377)	(8,004)
Purchase of land use rights	(3,203)	(1,837)
Interest received	2,971	2,772
<b>Net cash flows used in investing activities</b>	<b>(8,567)</b>	<b>(18,481)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	347,883	188,599
Repayment of borrowings	(324,049)	(150,299)
Finance lease movement	(665)	(1,552)
Interest paid	(23,882)	(22,269)
<b>Net cash flows from financing activities</b>	<b>(713)</b>	<b>14,479</b>
Net increase/(decrease) in cash and cash equivalents	3,729	(4,152)
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	8,196	13,735
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	232	(1,387)
Cash and cash equivalents, consolidated statement of cash flows, ending balance	<b>12,157</b>	<b>8,196</b>
Cash and cash equivalents included in consolidated cash flow consist of the following:		
Balance as in statement of financial position	13,302	8,687
Less : Bank overdraft	(1,145)	(491)
Cash and cash equivalents at the end of the period	<b>12,157</b>	<b>8,196</b>

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**1 (d) (i) A 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	Retained Earnings/ (Accumulated losses)	Translation Reserve	Other Reserve	Reserve on Post- Employment Benefit	Total	Non-Controlling Interests	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1/1/2016	93,860	123,245	(74,085)	2,485	-	145,505	-	145,505
Cumulative effects of adopting FRS16 & FRS41	-	(127,914)	32,332	-	-	(95,582)	-	(95,582)
Balance as at 1/1/2016 (Restated)	93,860	(4,669)	(41,753)	2,485	-	49,923	-	49,923
Total comprehensive income/(loss)	-	(8,910)	2,355	-	239	(6,316)	-	(6,316)
Transferred to retained earnings	-	239	-	-	(239)	-	-	-
Balance as at 31/12/2016	<b>93,860</b>	<b>(13,340)</b>	<b>(39,398)</b>	<b>2,485</b>	-	<b>43,607</b>	-	<b>43,607</b>
Balance as at 1/1/2015	93,860	139,733	(63,348)	2,485	-	172,730	5	172,735
Cumulative effects of adopting FRS16 & FRS41	-	(114,676)	21,743	-	-	(92,933)	-	(92,933)
Balance as at 1/1/2015 (Restated)	93,860	25,057	(41,605)	2,485	-	79,797	5	79,802
Total comprehensive (loss)/income	-	(30,283)	(148)	-	552	(29,879)	-	(29,879)
Transferred to retained earnings	-	552	-	-	(552)	-	-	-
Acquisition of a non-controlling interest without a change in control	-	5	-	-	-	5	(5)	-
Balance as at 31/12/2015	<b>93,860</b>	<b>(4,669)</b>	<b>(41,753)</b>	<b>2,485</b>	-	<b>49,923</b>	-	<b>49,923</b>
COMPANY	Share Capital	Retained Earnings/ (Accumulated losses)	Translation Reserve	Total Equity				
	US\$'000	US\$'000	US\$'000	US\$'000				
Balance as at 1/1/2016	93,860	(4,751)	(24,607)	64,502				
Total comprehensive (loss)/income	-	(633)	1,726	1,093				
Balance as at 31/12/2016	<b>93,860</b>	<b>(5,384)</b>	<b>(22,881)</b>	<b>65,595</b>				
Balance as at 1/1/2015	93,860	(4,487)	(17,563)	71,810				
Total comprehensive loss	-	(264)	(7,044)	(7,308)				
Balance as at 31/12/2015	<b>93,860</b>	<b>(4,751)</b>	<b>(24,607)</b>	<b>64,502</b>				

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**1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

Not applicable

**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 2016

287,011,177

As at 31 December 2015

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.

**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.



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#### **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 2015, except for the adoption of the new revised FRS which became effective for the financial year beginning on or after 1 January 2016. 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.**

##### Amendments to FRS 16 and FRS 41 Agriculture – Bearer Plants

The Group adopted the amendments to FRS 16 and FRS 41 with effect from January 2016. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 41. Instead, bearer plants will be measured under FRS 16 at accumulated cost until maturity. From maturity, any subsequent costs are expensed unless they enhance the future economic benefits of the assets. The agricultural produce growing on bearer plants remain within the scope of FRS 41 will be measured at fair value less costs to sell. We have applied these amendments retrospectively.

Based on its initial adoption on 1 January 2016, the Group's had to restate the statement of financial position as at 1 January 2015 as required by FRS 8 to be applied retrospectively. As at 1 January 2015 the total assets and deferred tax liabilities decreased approximately US\$123.9 million and US\$31.0 million respectively corresponding to a decrease of US\$92.9 million in total equity.

Further refinements were made relating to the biological assets and related balances. These have been restated when compared to the earlier quarterly announcements affecting the results, statement of financial position and cash flow.

#### **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	
	2016	2015
	US Cents	Restated US Cents
Loss per share for the period		
(a) based on weighted average number of shares	(3.10)	(10.55)
(b) based on a fully diluted basis	(3.10)	(10.55)
Weighted number of shares	287,011,177	287,011,177

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**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 31/12/2016	As at 31/12/2015	As at 31/12/2016	As at 31/12/2015
	US Cents	Restated US Cents	US Cents	US Cents
Net asset value per ordinary share	15.19	17.39	22.85	22.47
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 increased by 5% from US\$131.8 million in 2015 to US\$138.6 million in 2016. The increase was mainly due to higher Average Selling Price ("ASP") of CPO. Sales volume of CPO decreased approximately 7% from 226,915 MT in 2015 to 211,508 MT in 2016 and ASP of CPO increased from US\$511 in 2015 to US\$585 in 2016. The decrease in the volume was mainly due to lower CPO production as a result of lower FFB produced for the year due to the effect of very dry weather.

The Group's Operating Profit ("OP") increased from US\$0.3 million in 2015 to US\$10.8 million in 2016 and Net Loss After Tax ("NLAT") decreased from US\$30.3 million to US\$8.9 million. The increase in OP this year was mainly due to increase in the ASP in 2016 as compared to 2015 as well as the gain on fair value changes in consumable biological assets of US\$4.7 million in 2016 compared to a loss of US\$5.7 million. The decrease in NLAT was similarly due to increase in ASP for the year, lower foreign exchange loss in 2016 of US\$2.6 million as compared to US\$16.7 million in 2015 offset by higher interest expense. The increase in interest expense was mainly due to additional loans obtained and higher interests expensed instead of capitalised in the biological assets as more trees matured. Included in the tax expense for the year were the reversal of deferred tax assets and current year tax losses not carried forward.

### Cost of operation

Total cost of sales increased by 5% from US\$113.8 million in 2015 to US\$119.0 million in 2016. The increase was mainly due to higher depreciation charge from bearer plants as well as plant and equipment as matured area increased and also the depreciation for a newly constructed mill. Gross profit margin increased from 13.7% in 2015 to 14.2% in 2016 is mainly due to increase in ASP in 2016 as mentioned above.

The Group recorded an increase in distribution costs as a result of higher CIF sales made for the year. Administrative expenses decreased mainly due to the reversal of provision related to staff costs and lower bank charges.

Other losses comprise mainly of impairment loss on vessels of US\$0.9 million and inventory adjustments.

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There is an unrealised gain on cross currency swap contracts of US\$2.0 million (2015: loss of US\$2.0 million). These derivatives are used to hedge significant future cash flows. The group does not enter into derivative contracts other than for the purpose of hedging.

## **Review of financial position**

### The Group

Shareholders' equity decreased from US\$49.9 million as at 31 December 2015 to US\$43.6 million as at 31 December 2016 mainly due to net loss for the financial year of US\$8.9 million and the favorable exchange movement in foreign translation reserve amounting to US\$2.4 million.

As at 31 December 2016, the Group's total current assets increased by US\$12 million from US\$56.6 million to US\$68.7 million. Save for the movement in cash and cash equivalents as explained in cash flow section below, the movement in current assets arose due to favorable foreign exchange movement in IDR against USD and the following:

- a) Increase in consumable biological assets of US\$4.8 million as a result of higher forecasted FFB production as at 31 December 2016;
- b) Decrease in other assets amounting to US\$4.6 million mainly due to reclassification of prepayments to property, plant and equipment upon realisation during the year.
- c) Investment in joint venture amounting to US\$8.7 million has been reclassified to asset held for sale.

Total non-current assets as at 31 December 2016 increased by US\$3.7 million from US\$319.8 million to US\$323.5 million. This was mainly due to favorable foreign exchange movement in IDR against USD and the following:

- a) Increase of US\$1.5 million in other receivables mainly due to capital and operational expenditures paid for plasma holders;
- b) Increase of US\$5.0 million in bearer plant. This was mainly due to additions made during the year amounting to US\$2.4 million and interest capitalized of US\$4.6 million and offset by disposal to plasma amounting to US\$1.7 million and depreciation charges of US\$5.7 million
- c) Increase of US\$3.0 million in land use right is mainly due to additions made during the year amounting to US\$3.2 million offset by amortization charge of US\$1.2 million

As at 31 December 2016, the Group's total current liabilities decreased by US\$10.1 million from US\$105.0 million in 2015 to US\$94.9 million in 2016. This was mainly due to the following:

- a.) Increase in income tax payable of US\$1.4 million in relation to profitable subsidiary companies turning in better results as compared to last year
- b) Decrease in trade and other payables of US\$6.0 million as a result of realisation of customer advances to sales revenue
- c) Decrease in other financial liabilities of US\$5.4 million due to refinancing arrangement made during the year

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Total non-current liabilities as at 31 December 2016 increased by US\$32.2 million from US\$221.5 million to US\$253.7 million. This was mainly due to the increase of long-term borrowings by US\$35.0 million offset by realisation of customer advances.

The Group reported negative working capital of US\$26.2 million as of end of December 2016. This is mainly due to a portion of borrowings used to invest in plantation assets.

## **Review of Group Cash flow**

The closing cash and cash equivalents of the Group increased by US\$4.6 million from US\$8.7 million as at 31 December 2015 to US\$13.3 million as at 31 December 2016. The increase was mainly due to net cash generated from operating offset by cash outflow to investing activities and financing activities.

The Group operating cash flow increased from operating cash outflow in 2015 to inflow of US\$13.0 million in 2016 mainly due to lower loss before tax for the year and offset by decrease in trade and other payable as compared to 2015. The Group reported net cash out flows from investing activities of US\$8.6 million mainly due to additions to property, plant and equipment, biological assets and land use rights offset by proceeds received from disposal of plant and equipment, biological assets and interest received.

Net cash flows from financing activities were negative US\$0.7 million mainly due to net repayment to borrowings.

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**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.**

We had a strong production in 4Q2016 as the El Niño effect tapered off. We expect this recovery in production to continue into 2017 if the favourable climatic conditions remain. As for prices, we have seen some volatility recently caused by increased supply, other commodity prices and also export demand. We expect this volatility to continue in the near future and will focus our efforts on productivity and cost control in this challenging environment.

## **11. Dividend**

(a) *Current Financial Period Reported On*

Nil

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

Nil

(c) *Date payable*

Not applicable.

(d) *Books closure date*

Not applicable.

**12. If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been declared or recommended for the financial year ended 31 December 2016.

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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	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)
	2016	2016
	<u>US\$'000</u>	<u>US\$'000</u>
Wilmar Group (Sales)	–	2,654
Wilmar Group (Purchases)	–	1,597
PT Berkat Wahana Sukses (Services Received)	70	–
PT Berkat Wahana Sukses (Services Received, shareholders' mandate obtained at EGM held on 26 April 2012)	1,504	–
PT Alamindo Sejahtera Persada (Services Received)	–	–
PT Alamindo Sejahtera Persada (Services Received, shareholders' mandate obtained at EGM held on 26 April 2012)	–	–

**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.

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**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.**

## Twelve Months Ended 31 December 2016

	Plantation US\$'000	Logistic & Bulking US\$'000	Elimination US\$'000	Group US\$'000
<b>Revenue by Segment:</b>				
Revenue from external customers	137,379	1,202	-	138,581
Inter-segment sales		479	(479)	-
Total revenue	<u>137,379</u>	<u>1,681</u>	<u>(479)</u>	<u>138,581</u>
<b>Results:</b>				
Segment results	(3,192)	(1,831)	-	(5,023)
Other unallocated items				(1,058)
Share of results of joint ventures				173
Profit before income tax				<u>(5,908)</u>
Income tax expense				<u>(3,002)</u>
Net profit for the year				<u>(8,910)</u>

## Twelve Months Ended 31 December 2015

	Plantation Restated US\$'000	Logistic & Bulking Restated US\$'000	Elimination US\$'000	Group Restated US\$'000
<b>Revenue by Segment:</b>				
Revenue from external customers	128,987	2,857	-	131,844
Inter-segment sales	-	525	(525)	-
Total revenue	<u>128,987</u>	<u>3,382</u>	<u>(525)</u>	<u>131,844</u>
<b>Results:</b>				
Segment results	(29,292)	(1,873)	-	(31,165)
Other unallocated items				(979)
Share of results of joint venture				<u>(2,117)</u>
Loss before income tax				<u>(34,261)</u>
Income tax expense				<u>3,978</u>
Net loss for the year				<u>(30,283)</u>

The Group's primary business activities are that of agribusinesses and it operates predominantly in Indonesia.

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**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.**

Refer to note 8 and note 15.

## **17. A breakdown of sales**

		The Group		
		2016	2015	Increase/ (Decrease)
		US\$'000	Restated US\$'000	US\$'000
(a)	Sales reported for the first half year	61,806	67,765	(5,959)
(b)	Operating profit before deducting minority interests reported for first half year	(4,202)	2,517	(6,719)
(c)	Sales reported for the second half year	76,775	64,079	12,696
(d)	Operating profit/(loss) before deducting minority interests reported for second half year	15,006	(2,253)	17,259

**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 2016 and 2015.



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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	36	Son of Henry Maknawi (Executive Chairman & CEO)  Nephew of Ratna Maknawi (Deputy CEO)	<p><b><u>Chief Operating Officer</u></b> <b><u>2011</u></b> Oversees Group's overall operational activities, including strategic planning for the Group.</p> <p><b><u>Director of subsidiaries:</u></b> <b><u>2015</u></b> PT Loka Indah Lestari PT Karunia Sawit Permai Global Eastern Capital Pte. Ltd.</p> <p><b><u>2012</u></b> PT. Karunia Alam Makmur</p> <p><b><u>2011</u></b> PT. Delta Subur Permai PT. Sawit Tiara Nusa PT. Sawit Alam Permai</p> <p><b><u>2010</u></b> PT. Bumi Permai Sentosa PT. Wira Sawit Mandiri PT. Wira Mas Permai PT. Indotrust PT. Sawindo Kencana PT. Kencana Agro Jaya</p> <p><b><u>2008</u></b> PT. Pelayaran Asia Marine</p> <p><b><u>2007</u></b> Sawindo Agri Pte. Ltd. PT. Listrindo Kencana PT. Belitung Energy PT. Sawindo Cemerlang</p>	Appointment of directorship in Joint Venture Company and commissioner in subsidiaries of Joint Venture Company.

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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
			<p><b><u>Director of Joint Venture Companies:</u></b>  <u>2014</u>                      Kencana Bio-Energy Pte. Ltd.  <u>2010</u>                      Kencana LDC Pte. Ltd.                      LDC Kencana Trading Pte. Ltd.</p> <p><b><u>Director of subsidiary of Joint Venture Company</u></b>  <u>2010</u>                      PT. Cahaya Permata Gemilang</p> <p><b><u>Commissioner of subsidiaries of Joint Venture Company:</u></b>  <u>2014</u>                      PT. Energy Cipta Usaha                      PT. Energy Karya Persada</p>	
Ajis Chandra	53	Brother-in-law of Henry Maknawi (Executive Chairman & CEO) Husband of Ratna Maknawi (Deputy CEO)	<p><b><u>Head of Bulking &amp; Logistics</u></b>  <u>2002</u>                      In charge of managing the bulking &amp; logistics segment of the Group's operations.</p> <p><b><u>Director of subsidiaries :</u></b>  <u>2010</u>                      PT. Bumi Permai Sentosa</p> <p><u>2007</u>                      Kencana Logistics Pte. Ltd.</p> <p><u>2003</u>                      PT. Pelayaran Asia Marine</p> <p><u>2002</u>                      PT. Indotrust</p> <p><b><u>Director of Joint Venture Companies:</u></b>  <u>2010</u>                      Kencana LDC Pte. Ltd.                      LDC Kencana Trading Pte. Ltd.</p>	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
Augyawati Joe	37	Niece of : - Henry Maknawi (Executive Chairman & CEO) - Ratna Maknawi (Deputy CEO)	<p><b><u>Head of Commercial</u></b></p> <p><u>2015</u> Global Eastern Capital Pte. Ltd.</p> <p><u>2008</u> In charge of the Group's sales.</p> <p><b><u>Director of the subsidiaries :</u></b></p> <p><u>2010</u> PT. Bumi Permai Sentosa</p> <p><u>2008</u> Kencana Bio-Energy Pte. Ltd. Sawindo Agri Pte. Ltd. Kencana Logistic Pte. Ltd. Kencana Plantations Pte. Ltd.</p> <p><b><u>Commissioner of subsidiaries :</u></b></p> <p><u>2010</u> PT. Pelayaran Asia Marine PT. Indotruster</p>	No change
Eddy Maknawi	54	Brother of Henry Maknawi (Executive Chairman & CEO)  Brother of Ratna Maknawi (Deputy CEO)	<p><b><u>Head of Procurement</u></b></p> <p><u>2008</u> in charge of the Group's procurement.</p> <p><b><u>Director of subsidiaries :</u></b></p> <p><u>2015</u> PT Mentari Bangun Persada</p> <p><u>2010</u> PT. Sawit Permai Lestari PT. Wira Palm Mandiri PT. Sawindo Kencana PT. Kencana Agro Jaya PT. Sawit Kaltim Lestari PT. Agro Eastborneo Kencana PT. Agrojaya Tirta Kencana PT. Indotruster</p>	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
			<p>PT. Pelayaran Asia Marine PT. Agro Sawitmas Lestari</p> <p><u>2004</u> PT. Agro Inti Kencanamas</p> <p><u>1997</u> PT. Alamraya Kencana Mas</p> <p><b><u>Commissioner of subsidiaries :</u></b> <u>2015</u> PT Loka Indah Lestari PT Karunia Sawit Permai</p> <p><u>2011</u> PT Sawit Alam Permai</p> <p><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</p> <p><u>2007</u> PT. Sawindo Cemerlang PT. Wira Sawit Mandiri</p>	

BY ORDER OF THE BOARD

Kent Surya  
Finance Director  
27 February 2017