

KENCANA AGRI LIMITED

(Registration Number: 200717793E)



UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

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

	2nd Quarter			1st Half		
	2017	2016	Change	2017	2016	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	27,158	32,959	-18%	66,617	61,806	8%
Cost of sales	(24,685)	(32,448)	-24%	(53,730)	(58,943)	-9%
Gross profit	2,473	511	384%	12,887	2,863	350%
Fair value changes of biological assets and other receivables, net	6,485	15	n/m	7,427	134	n/m
Distribution costs	(403)	(548)	-26%	(1,151)	(1,223)	-6%
Administrative expenses	(2,428)	(2,624)	-7%	(4,735)	(4,886)	-3%
Other losses, net	(253)	(927)	-73%	(477)	(1,090)	-56%
Operating profit/(loss)	5,874	(3,573)	n/m	13,951	(4,202)	n/m
(Loss)/gain on foreign exchange	(259)	70	n/m	962	1,874	-49%
Fair value changes of derivative financial instruments	138	348	-60%	470	1,201	-61%
Interest income	812	723	12%	1,580	1,505	5%
Interest expense	(4,669)	(4,936)	-5%	(9,455)	(9,902)	-5%
Share of results of joint ventures	(156)	(717)	-78%	114	2,009	-94%
Gain on disposal of joint venture, net	8,161	-	n/m	8,161	-	n/m
Profit/(loss) before income tax	9,901	(8,085)	n/m	15,783	(7,515)	n/m
Income tax (expense)/benefit	(2,789)	1,352	n/m	(4,410)	1,550	n/m
Net profit/(loss) for the period	7,112	(6,733)	n/m	11,373	(5,965)	n/m

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

	2nd Quarter			1st Half		
	2017 US\$'000	2016 US\$'000	Change %	2017 US\$'000	2016 US\$'000	Change %
Depreciation and amortisation expenses	4,006	3,980	1%	8,031	7,938	1%
Loss/(gain) on foreign exchange	259	(70)	n/m	(962)	(1,874)	-49%
Fair value changes of derivative financial instruments	(138)	(348)	-60%	(470)	(1,201)	-61%
Interest expense	4,669	4,936	-5%	9,455	9,902	-5%
Interest income	(812)	(723)	12%	(1,580)	(1,505)	5%
Fair value changes of biological assets	(6,600)	(60)	n/m	(7,665)	(60)	n/m
Fair value changes of other receivables	115	45	156%	238	(74)	n/m
Loss on disposal of property, plant and equipment	27	15	n/m	32	15	113%
Gain on disposal of joint venture	(9,087)	-	n/m	(9,087)	-	n/m
Impairment on other receivables (joint venture)	926	-	n/m	926	-	n/m
Impairment on property, plant and equipment	-	852	n/m	-	852	n/m
<u>Additional information :</u>						
EBITDA (excluding fair value changes of biological assets)	11,164	48	n/m	24,024	8,760	174%

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

	2nd Quarter			1st Half		
	2017 US\$'000	2016 US\$'000	Change %	2017 US\$'000	2016 US\$'000	Change %
Net profit/(loss) for the period	7,112	(6,733)	n/m	11,373	(5,965)	n/m
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating IDR functional currency to US dollar presentation currency and foreign operation's financial statements	21	221	-90%	360	4,113	-91%
Total comprehensive income/(loss) for the period	<u>7,133</u>	<u>(6,512)</u>	n/m	<u>11,733</u>	<u>(1,852)</u>	n/m
Profit/(loss) attributable to owners of the parent, net of tax	7,112	(6,733)	n/m	11,373	(5,965)	n/m
Profit/(loss) attributable to non-controlling interests, net of tax	-	-	n/m	-	-	n/m
Profit/(loss) for the period, net of tax	<u>7,112</u>	<u>(6,733)</u>	n/m	<u>11,373</u>	<u>(5,965)</u>	n/m
Total comprehensive income/(loss) attributable to owners of the parent	7,133	(6,512)	n/m	11,733	(1,852)	n/m
Total comprehensive income/(loss) attributable to non-controlling interests	-	-	n/m	-	-	n/m
Total comprehensive income/(loss) for the period	<u>7,133</u>	<u>(6,512)</u>	n/m	<u>11,733</u>	<u>(1,852)</u>	n/m

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 30/06/2017 US\$'000	As at 31/12/2016 US\$'000	As at 30/06/2017 US\$'000	As at 31/12/2016 US\$'000
ASSETS				
Current assets:				
Cash and cash equivalents	18,153	13,302	61	309
Trade and other receivables	22,271	22,490	39,956	22,002
Inventories	14,387	10,031	-	-
Biological assets	17,733	9,965	-	-
Other assets	2,634	4,188	1	1
Assets held for sale	1,336	8,697	-	5,938
Total current assets	76,514	68,673	40,018	28,250
Non-current assets:				
Investments in subsidiaries	-	-	39,802	39,455
Investments in joint ventures	-	-	-	-
Other receivables	24,144	21,000	-	-
Property, plant and equipment	87,669	91,163	-	-
Investment property	2,390	2,403	-	-
Bearer plants	162,655	160,819	-	-
Land use rights	38,534	38,282	-	-
Deferred tax assets	8,253	9,108	-	-
Other assets	2,131	737	-	-
Total non-current assets	325,776	323,512	39,802	39,455
TOTAL ASSETS	402,290	392,185	79,820	67,705
LIABILITIES AND EQUITY				
Current liabilities:				
Income tax payables	2,494	3,291	-	-
Trade and other payables	46,734	46,966	1,918	2,110
Finance leases	232	353	-	-
Other financial liabilities	56,338	44,271	-	-
Total current liabilities	105,798	94,881	1,918	2,110
Non-current liabilities:				
Other payables	1,243	6,815	-	-
Deferred tax liabilities	3,145	1,180	-	-
Finance leases	78	81	-	-
Other financial liabilities	231,935	241,304	-	-
Other liabilities	4,751	4,317	-	-
Total non-current liabilities	241,152	253,697	-	-
Capital and reserves:				
Share capital	93,860	93,860	93,860	93,860
Other reserve	2,485	2,485	-	-
(Accumulated losses)/retained earnings	(1,967)	(13,340)	6,318	(5,384)
Translation reserve	(39,038)	(39,398)	(22,276)	(22,881)
Equity attributable to the owners of the parent	55,340	43,607	77,902	65,595
Non-controlling interests	-	-	-	-
Total equity	55,340	43,607	77,902	65,595
TOTAL LIABILITIES AND EQUITY	402,290	392,185	79,820	67,705

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

	As at 30/06/2017 US\$'000	As at 31/12/2016 US\$'000
Amount due within one year		
Secured	<u>56,570</u>	<u>44,624</u>
Amount due more than one year		
Secured	<u>232,013</u>	<u>241,385</u>

The secured borrowings are secured by way of negative pledges on certain inventories, trade receivables, land use rights, investment properties, bearer plants, 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.

	1st Half	
	2017 US\$'000	2016 US\$'000
Cash flows from operating activities		
Profit/(loss) before tax	15,783	(7,515)
Adjustments for:		
Interest income	(1,580)	(1,505)
Interest expense	9,455	9,902
Amortisation of land use rights	639	591
Depreciation expense	7,392	7,347
Fair value changes in biological assets	(7,665)	(60)
Fair value changes in other receivables	238	(74)
Increase in provision for employment pension benefits	396	563
Loss on disposal of property, plant and equipment	32	15
Gain on disposal of joint venture	(9,087)	-
Impairment on other receivables (joint venture)	926	-
Impairment on property, plant and equipment	-	852
Share of result of equity-accounted joint ventures	(114)	(2,009)
Net effect of exchange rate changes in consolidating entities	96	(565)
Operating cash flows before changes in working capital	16,511	7,542
Inventories	(4,268)	1,092
Trade and other receivables	(2,654)	(2,853)
Other assets	203	1,428
Trade and other payables	(6,277)	13,947
Other financial liabilities	(470)	1,201
Net cash flows from operations before tax	3,045	22,357
Income taxes paid	(2,346)	(1,093)
Net cash flows from operating activities	699	21,264
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,901)	(10,545)
Disposal of property, plant and equipment	-	20
Additions to bearer plants	(1,164)	(2,031)
Purchase of land use rights	(555)	(590)
Proceeds from disposal of joint venture	14,752	-
Proceeds from repayment of loan (joint venture)	3,550	-
Interest received	233	398
Net cash flows from/(used in) investing activities	14,915	(12,748)
Cash flows from financing activities		
Proceeds from borrowings	84,940	116,122
Repayment of borrowings	(84,669)	(104,852)
Finance lease repayments	(128)	(405)
Interest paid	(11,292)	(11,902)
Net cash flows used in financing activities	(11,149)	(1,037)
Net increase in cash and cash equivalents	4,465	7,479
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	12,157	8,196
Cash and cash equivalents, consolidated statement of cash flows, ending balance	16,622	15,675
Cash and cash equivalents included in consolidated cash flow consist of the following:		
Balance as in statement of financial position	18,153	17,019
Less : Bank overdraft	(1,531)	(1,344)
Cash and cash equivalents at the end of the period	16,622	15,675

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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 1/1/2017	93,860	(13,340)	(39,398)	2,485	-	43,607	-	43,607
Total comprehensive income	-	11,373	360	-	-	11,733	-	11,733
Balance as at 30/06/2017	93,860	(1,967)	(39,038)	2,485	-	55,340	-	55,340

Balance as at 1/1/2016	93,860	(4,669)	(41,753)	2,485	-	49,923	-	49,923
Total comprehensive (loss)/income	-	(5,965)	4,113	-	-	(1,852)	-	(1,852)
Balance as at 30/06/2016	93,860	(10,634)	(37,640)	2,485	-	48,071	-	48,071

COMPANY	Share Capital	Retained Earnings/ (Accumulated losses)	Translation Reserve	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1/1/2017	93,860	(5,384)	(22,881)	65,595
Total comprehensive income	-	11,702	605	12,307
Balance as at 30/06/2017	93,860	6,318	(22,276)	77,902

Balance as at 1/1/2016	93,860	(4,751)	(24,607)	64,502
Total comprehensive (loss)/income	-	(708)	3,002	2,294
Balance as at 30/06/2016	93,860	(5,459)	(21,605)	66,796

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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 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.

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 30 June 2017

287,011,177

As at 31 December 2016

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.

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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 2016, except for the adoption of the new revised FRS which became effective for the financial year beginning on or after 1 January 2017. The adoption of the new and revised FRS (including its consequential amendments) and interpretations have no significant impact on the Group's and the Company's financial statements.

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.

Not applicable

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.

	2nd Quarter		1st Half	
	2017 US Cents	2016 US Cents	2017 US Cents	2016 US Cents
Earnings/(Loss) per share for the period				
(a) based on weighted average number of shares	2.48	(2.35)	3.96	(2.08)
(b) based on a fully diluted basis	2.48	(2.35)	3.96	(2.08)
Weighted number of shares	287,011,177	287,011,177	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 30/06/2017 US Cents	As at 31/12/2016 US Cents	As at 30/06/2017 US Cents	As at 31/12/2016 US Cents
Net asset value per ordinary share	19.28	15.19	27.14	22.85
Number of shares outstanding	287,011,177	287,011,177	287,011,177	287,011,177

Net assets value per ordinary share for 30 June 2017 and 31 December 2016 are calculated based on value of net assets as at 30 June 2017 and 31 December 2016 respectively, divided by the total number of issued shares of 287,011,177.

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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

2Q 2017 vs 2Q 2016

Revenue and profit

The Group's revenue decreased by 18% from US\$33.0 million in 2Q 2016 to US\$27.2 million in 2Q 2017. The decrease was mainly due to lower CPO sales volume due to shipment delay offset by a slightly higher Average Selling Price ("ASP") of CPO during the quarter. Sales volume of CPO decreased approximately 24% from 48,106 MT in 2Q 2016 to 36,778 MT in 2Q 2017, whereas ASP of CPO increased approximately 1% from US\$611 to US\$616.

The Group's Operating Profit ("OP") reversed from a loss of US\$3.6 million in 2Q 2016 to a profit of US\$5.9 million in 2Q 2017 and Net Profit After Tax ("NPAT") reversed from a loss of US\$6.7 million to a profit of US\$7.1 million. The increase in OP was mainly due to fair value gain on biological assets of US\$6.6 million. The increase in NPAT was due to the same reasons mentioned above, plus a gain on disposal of joint venture, lower interest expense and lower losses from share of results of joint venture. The decrease in interest expense was mainly due to higher mix of USD loans incurring interests at a lower rate than IDR loans.

Cost of operation

Cost of sales decreased by 24% from US\$32.4 million in 2Q 2016 to US\$24.7 million in 2Q 2017. The decrease was mainly due lower sales volume in Q2 2017 as compared to Q2 2016 resulting in higher closing inventory as of 30 June 2017 due to a shipment delay. Gross margin improved due to increased CPO production from 24,533 in 2Q 2016 to 32,512 MT in 2Q 2017 resulting in a lower cost per unit in 2Q 2017 as compared to 2Q 2016.

The Group recorded a decrease in distribution costs mainly due to lower CIF sales for the quarter. Administrative expenses decreased 7% from US\$2.6 million in 2Q 2016 to US\$2.4 million in 2Q 2017 mainly due to the absence of some bank refinancing charges incurred in 2Q 2016. Other losses comprise of mainly of tax assessments results.

Disposal of joint venture

During the quarter, the Group disposed of its joint venture with the Louis Dreyfus Company Asia Pte Ltd. Net gain on the disposal amounted to US\$8.2 million.

1H 2017 vs 1H 2016

Revenue and profit

The Group's revenue increased by 8% from US\$61.8 million in 1H 2016 to US\$66.6 million in 1H 2017. The increase was mainly due to higher ASP of CPO offset by lower sales volume during the period. ASP of CPO increased by approximately 17% from US\$557 to US\$649 while sales volume of CPO decreased approximately 15% from 98,370 MT in 1H 2016 to 83,461 MT in 1H 2017.

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The Group's OP reversed from a loss of US\$4.2 million in 1H 2016 to a profit of US\$14.0 million in 1H 2017 and NPAT reversed from a loss of US\$6.0 million in 1H 2016 to a profit of US\$11.4 million in 1H 2017. The increase in OP was mainly due to higher ASP, fair value gain on biological assets. The increase in NPAT due to the same reasons mentioned above plus a gain on disposal of joint venture, lower interest expense offset by less favorable foreign exchange movement in IDR as compared to 1H 2016 which led to a lower gain on foreign exchange and lower fair value changes in financial derivatives. Share of results from joint venture has also decreased from US\$2.0 million in 1H 2016 to US\$0.1 million in 1H 2017 mainly due to declining CPO prices for the period. The decrease in interest expense was mainly due to higher mix of USD loans incurring interests at a lower rate than IDR loans.

Cost of operation

Cost of sales decreased by 9% from US\$58.9 million in 1H 2016 to US\$53.7 million in 1H 2017. The decrease was mainly due to lower sales volume in 1H 2017 as compared to 1H 2016. Gross margin improved from 5% in 1H 2016 to 19% in 1H 2017 mainly due to higher CPO production from 54,842 MT in 1H 2016 to 63,890 MT in 1H 2017.

The Group recorded a decrease in distribution costs mainly due to higher FOB sales in 2Q 2017 as compared to 2Q 2016. Administrative expenses remained fairly stable for the period. Other losses comprise of mainly tax assessments results.

Disposal of joint venture

During the quarter, the Group disposed of its joint venture with the Louis Dreyfus Company Asia Pte Ltd. Net gain on the disposal amounted to US\$8.2 million.

Review of financial position

Shareholders' equity increased from US\$43.6 million as at 31 December 2016 to US\$55.3 million as at 30 June 2017 mainly due to profit for the period of US\$11.4 million and translation gain of US\$0.4 million for the period.

The Group's total current assets increased by US\$7.8 million from US\$68.7 million as at 31 December 2016 to US\$76.5 million as at 30 June 2017. Save for the movement in cash and cash equivalents as explained in cash flow section below, the remaining movement in current assets arose mainly from:

- a) increase in inventory amounting to US\$4.4 million as a result of higher level of finished goods caused by some shipment delay and higher consumables as at 30 June 2017;
- b) increase in biological assets amounting to US\$7.8 million due to fair value gain recognized for the period on anticipated production growth in second half of the year.
- c) decrease in other assets amounting to US\$1.6 million as a result of reclassification to property, plant and equipment.
- d) decrease in assets held for sale amounting to US\$7.4 million as a result of the completed sale of a joint venture.

Total non-current assets increased by US\$2.3 million from US\$323.5 million as at 31 December 2016 to US\$325.8 million as at 30 June 2017. This was mainly due to the following:

- a) increase in other receivables amounting to US\$3.1 million mainly due to advances to plasma for capital and operating expenditures.

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- b) decrease in properties, plant and equipment of US\$3.5 million mainly due to reclassification of vessels to assets held for sale and depreciation charge for the period.
- c) Increase in bearer plants amounting to US\$1.8 million mainly due to additional investments and the capitalization of interest and depreciation for immature plantations.
- d) Increase in other assets of US\$1.4 million due to deposits paid in relation to purchase of property, plant and equipment.

The Group's total current liabilities increased by US\$10.9 million from US\$94.9 million as 31 December 2016 to US\$105.8 million as at 30 June 2017. This was mainly due to a temporary increase in short term borrowings.

Total non-current liabilities decreased by US\$12.5 million from US\$253.7 million as at 31 December 2016 to US\$241.1 million as 30 June 2017. This was mainly due to the decrease in trade and other payables of US\$5.6 million due to the reclassification of trade advances received from non-current to current portion and decrease in long-term borrowings of US\$9.4 million as a result of reclassification into current portion.

The Group reported negative working capital of US\$29.3 million as of end of June 2017. This is mainly due to a portion of borrowings used to invest in plantation assets.

Review of Group Cash flows

The closing cash and cash equivalents of the Group increased by US\$4.8 million from US\$13.3 million as at 31 December 2016 to US\$18.1 million as at 30 June 2017. The increase was due to net cash inflows from operating and investing activities offset by cash outflow from financing activities.

The Group's operating cash flows were lower in 1H2017 compared to 1H 2016. This was mainly due to more trade advances received in 1H 2016.

The Group reported net cash inflows from investing activities of US\$14.9 million mainly due to proceeds from disposal of joint venture. Net cash flows from financing activities were negative US\$11.1 million mainly due to repayment of borrowings and interests, offset by proceeds from 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.

As the effect of El Niño wanes, we have seen our yields rebound significantly. We expect this recovery to be even stronger in the second half of the year. Prices however are expected to be volatile with some downward pressure due to higher production and rising soybean output. We will continue to 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 first half ended 30 June 2017.

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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)
	1H 2017	1H 2017
	<u>US\$'000</u>	<u>US\$'000</u>
Wilmar Group (Sales)	–	154
Wilmar Group (Purchases)	–	2,998
PT Berkah Wahana Sukses (Services Received)	80	–
PT Berkah Wahana Sukses (Services Received, shareholders' mandate obtained at EGM held on 26 April 2012)	533	–
PT Alamindo Sejahtera Persada (Services Received)	–	–
PT Alamindo Sejahtera Persada (Services Received, shareholders' mandate obtained at EGM held on 26 April 2012)	–	–

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14. Negative confirmation by the Board pursuant to Rule 705(5).

The Directors do hereby confirm that to the best of their knowledge, nothing has come to their attention which would render the unaudited financial statements for the period ended 30 June 2017 to be false or misleading in any material aspect.

15. 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.

BY ORDER OF THE BOARD

Henry Maknawi
Chairman and Chief Executive Officer
14 August 2017