

# Kangaroo Island Plantation Timbers

ABN 19 091 247 166

## Quarterly Activities Report and Appendix 4C

For the quarter ended  
**30 September 2017**



# Quarterly Activities Report

For the quarter ended 30 September 2017



## Highlights

### During the quarter

- **Continued progress toward developing multi-user wharf at its Smith Bay site on the north coast of Kangaroo Island:**
  - ) Release of guidelines for environmental reporting; and
  - ) Completed the acquisition of the USD\$2.9 million pontoon and establishing a \$3 million loan facility with Samuel Terry Asset Management Pty Ltd to fund the final instalment.
- **Completed an independent valuation of its timber inventory, resulting in the Annual Report showing a further increase in biological assets of \$23 million.**
  - ) In the year ended 30 June 2017 timber assets have increased by \$56 million to \$81 million.

### Since the quarter end:

- **Off shore geotechnical investigation has resumed, following the return of favourable weather conditions.**
- **Pontoon relocated to shipyard in Vietnam and dry docked for reconditioning, repainting and refitting.**

## Smith Bay Wharf Development approval process continues

KPT is committed to the thorough and rigorous assessment of its development, in consultation with the South Australian Government and with the involvement of the Kangaroo Island Community. Offshore geotechnical investigation has re-commenced after an extended weather delay.

## Annual General Meeting

The Annual General Meeting Notice has been sent to Shareholders. The meeting is to be held on Friday 10 November 2017 at 10am CDT at Grant Thornton's offices, Level 3, 170 Frome Street, Adelaide, SA 5000. The following resolutions are being put to Shareholders:

1. Adoption of the Remuneration Report, which forms part of the 2017 Annual Report;
2. The re-election of Non-Executive Director, Mr Paul McKenzie;
3. Ratification of prior share issues;
4. Reallocation of rights to Mr Graham Holdaway under the Performance Rights Plan for performance rights dated 24 February 2017;
5. Approval of issue of Shares to Directors under the Performance Rights Plan for performance rights dated 10 November 2017; and
6. Approval of increased share issue capacity under Listing Rule 7.1A.

# Quarterly Activities Report

For the quarter ended 30 September 2017



## Securities on issue

At the 30 September 2017 and as at the date of this report the securities on issue included:

	Number of Ordinary Fully paid Shares
<b>As at 30 June 2017</b>	<b>40,874,809</b>
New Shares	-
<b>As at 30 September 2017 and 31 October 2017</b>	<b>40,874,809</b>

## Appendix 4C

The Appendix 4C as required by Listing Rule 4.7B for the quarter ending 30 September 2017 is attached to this report.

## Cash and cash equivalents

The cash and cash equivalent at the 30 September 2017 amounted to \$3,318,612.

## Loan facilities

The Company has a Commonwealth Bank of Australia loan facility of \$57.1 million. \$25 million of this facility was drawn down in the prior quarter. In addition, a short-term loan \$3m unsecured loan facility from Samuel Terry Asset Management Pty Ltd fully was drawn down in the quarter.

## Signed on behalf of Kangaroo Island Plantation Timbers Ltd

Ms Vicky Allinson

Company Secretary

Date 31 October 2017

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

KANGAROO ISLAND PLANTATION TIMBERS LIMITED

**ABN**

19 091 247 166

**Quarter ended ("current quarter")**

30 SEPTEMBER 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	52	52
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(365)	(365)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(136)	(136)
(f) administration and corporate costs	(344)	(344)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	10
1.5 Interest and other costs of finance paid	(307)	(307)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material) Wharf Development	(894)	(894)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,984)</b>	<b>(1,984)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3,393)	(3,393)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3,393)</b>	<b>(3,393)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(349)	(349)
3.5	Proceeds from borrowings	3,000	3,000
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,651</b>	<b>2,651</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	6,045	6,045
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,984)	(1,984)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,393)	(3,393)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,651	2,651

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>3,319</b>	<b>3,319</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	969	3,511
5.2	Call deposits (restricted)	2,350	2,534
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,319</b>	<b>6,045</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
107
-

Since 1 July 2016 the Directors fees paid 100% in cash quarterly.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	60,100	28,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The Company has signed agreement for Commonwealth Bank of Australia loan facility of \$57 million, of which \$25 million was previously drawn down. In addition, a short term loan facilities was established during the quarter end for \$3 million, being an unsecured loan with Samuel Terry Asset Management Pty Ltd. The short term loan was drawn down in full during the quarter.

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	311
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	136
9.6 Administration and corporate costs	213
9.7 Other (provide details if material)	
- Loan cost	220
- Wharf expenses	507
- GST net refund	(237)
<b>9.8 Total estimated cash outflows</b>	<b>1,150</b>

During the previous quarter net cash outflows were estimated at \$2,597,000, actual new cash outflows amounted to \$2,726,000. The \$130,000 decrease is primarily due to \$2,646,000 of additional assets offset by inflow from financing activities of \$2,651,000; and higher operating costs of \$135,000.

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	n/a	n/a
10.2 Place of incorporation or registration	n/a	n/a
10.3 Consideration for acquisition or disposal	n/a	n/a
10.4 Total net assets	n/a	n/a
10.5 Nature of business	n/a	n/a

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Director/Company secretary)

31 October 2017  
Date: .....

Print name: Victoria Marie Allinson

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.