



# Kangaroo Island Plantation Timbers

ABN 19 091 247 166

## Quarterly Activities Report and Appendix 4C

For the quarter ended

**30 June 2018**



## Highlights

### During the quarter

- **Continued progress toward developing multi-user deep-water wharf at its Smith Bay site on the north coast of Kangaroo Island**
- **Obtained FSC® certification**

## Smith Bay Wharf Development approval process continues

The Company has announced that it will lodge the Environmental Impact Statement (EIS) for the proposed KI Seaport (the deep-water wharf at its Smith Bay site on Kangaroo Island) by the end of September 2018. A number of adjustments to the proposal have been made in order to ensure that the facility can be constructed and operated in a way that has no negative impacts on neighbouring properties or businesses, and to ensure that it can accommodate a range of vessel types in a range of weather conditions. Feedback has been sought from various government departments on chapters of the EIS, to ensure that the document, when lodged, will meet the information needs of the government and members of the public.

The Company believes that all matters of contention concerning the development will be satisfactorily addressed in the EIS and that the project will, as a consequence, be capable of rapid approval.

## FSC® certification

Following a comprehensive audit of its operations and policies, all of the Company's timber plantations were granted certification under the Forestry Stewardship Council scheme. While the Company regards this as a source of pricing and marketing advantage, it has publicly stated that FSC® certification is more important as a sign to the community of its commitment to operate in a sustainable and responsible manner, in keeping with the clean, green image of Kangaroo Island.

## Securities on issue

At 30 June 2018 and as at the date of this report the securities on issue included:

### Ordinary Shares on issue

	Number of Ordinary Fully paid Shares
<b>As at 31 March 2018</b>	<b>50,889,814</b>
Shares issued as payment for services rendered by Seaview Corporate Services Pty Ltd totalling \$12,500	5,428
Shares issued to employees under ESS total value \$5,000 on 27 June 2018	2,270
<b>As at 30 June 2018</b>	<b>50,897,512</b>

# Quarterly Activities Report

## For the quarter ended 30 June 2018



### Performance rights at 31 December 2017 and 30 June 2018

The Shareholders approved the issue of Performance Rights, the details of which are summarised in the table below:

20 Business Day/One million share VWAP	Shares to be issued per director:		Total Shares to be issued to Directors Number.	Escrow period
	J Sergeant & G Holdaway Number.	P McKenzie, S Black & G Boulton Number.		
\$3.50 or above	107,140	53,570	374,990	12 months
\$4.25 or above	85,720	42,860	300,020	12 months
\$5.00 or above	64,280	32,140	224,980	12 months
<b>Total</b>	<b>257,140</b>	<b>128,570</b>	<b>899,990</b>	

A Director is eligible for the Rights, if they are in office from the date approved by Shareholders to the date the price and volume conditions are first met.

#### ***Vesting terms:***

- (1) Tranche 1 vests upon meeting the \$3.50 VWAP and volume condition;
- (2) Tranche 2 vests on the later of:
  - a. upon meeting the \$4.25 VWAP and volume condition; or
  - b. on or after the first business day of July in the financial year following the one in which Tranche 1 vested, providing the most recent 20-day VWAP at the vesting date is at or above \$4.25.
- (3) Tranche 3 vests on the later of:
  - a. upon meeting the \$5.00 VWAP and volume condition; or
  - b. on or after the first business day of July in the financial year following the one in which Tranche 2 vested, providing the most recent 20-day VWAP at the vesting date is at or above \$5.00.

## Appendix 4C

The Appendix 4C as required by Listing Rule 4.7B for the quarter ending 30 June 2018 is attached to this report.

### **Review of prior quarter's cashflow estimates**

During the previous quarter net cash outflows were estimated at \$4,992,000. The actual cash outflows set out in Appendix 4C amount to \$5,519,000. The \$527,000 increase is primarily due to \$514,000 of additional wharf assets costs.

### **Cash and cash equivalents**

The cash and cash equivalent at 30 June 2018 amounted to \$6,726,545.

### **Loan facilities**

The Company has a Commonwealth Bank of Australia loan facility of \$57,100,000. \$25,000,000 of this facility was drawn down in the prior quarters.

### **Signed on behalf of Kangaroo Island Plantation Timbers Ltd**

Ms Vicky Allinson  
Company Secretary

Date: 31 July 2018

## 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 JUNE 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3	170
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(271)	(1,049)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(256)	(953)
(f) administration and corporate costs	(364)	(1,064)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	30	83
1.5 Interest and other costs of finance paid	(339)	(1,527)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material) Wharf Development	(540)	(2,791)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,737)</b>	<b>(7,131)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment		
	Wharf development	(1,889)	(8,639)
	Other	(16)	(16)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets - land	(1,973)	(2,280)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	4
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets - land	96	96
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>(3,782)</b>	<b>(10,835)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	20,000
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	-	(1,352)
3.5	Proceeds from borrowings	-	3,000
3.6	Repayment of borrowings	-	(3,000)
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>-</b>	<b>18,648</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<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	12,246	6,045
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,737)	(7,131)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,782)	(10,835)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	18,648
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>6,727</b>	<b>6,727</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> 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	3,411	10,637
5.2	Call deposits (restricted)	3,316	1,609
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6,727</b>	<b>12,246</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

206

-

Executive remuneration and Non-Executive Directors fees.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

8. Financing facilities available <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	57,100	25,000
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 \$57.1 million, of which \$25 million was previously drawn down.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	199
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	231
9.6 Administration and corporate costs	81
9.7 Other (provide details if material)	
- Interest and other costs of finance	371
- Wharf expenses	894
- Wharf assets	1,108
<b>9.8 Total estimated cash outflows</b>	<b>2,884</b>

During the next quarter \$371,000 will be released from the Group's restricted savings account.

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	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: .....  
(Company secretary)

31 July 2018  
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.