

SAMKO TIMBER LIMITED

Condensed interim financial statements
For the six months and full year ended 31 December 2021

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

Table of Contents

	Page
A. Condensed interim consolidated statement of profit or loss and other comprehensive income	1
B. Condensed interim statement of financial position	2 – 3
C. Condensed interim statements of changes in equity	4 – 5
D. Condensed interim consolidated statement of cash flows	6 – 7
E. Notes to the condensed interim consolidated financial statements	8 – 19
F. Other information required by Listing Rule Appendix 7.2	20 – 24
G. Confirmation by the Board	25

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group			Group		
		6 months ended			12 months ended		
		31 Dec 2021	31 Dec 2020	Change	31 Dec 2021	31 Dec 2020	Change
		Rp'million	Rp'million	%	Rp'million	Rp'million	%
Revenue	4	2,121,638	1,615,007	31	3,943,162	3,194,734	23
Cost of sales		(1,701,554)	(1,389,873)	22	(3,216,870)	(2,709,897)	19
Gross profit		420,084	225,134	87	726,292	484,837	50
Other income (expenses)	6	20,594	(5,702)	n.m	10,036	95,620	(90)
Distribution and marketing expenses		(167,211)	(90,868)	84	(268,478)	(162,340)	65
General and administrative expenses		(174,409)	(181,568)	(4)	(327,490)	(325,661)	1
Finance expenses		(62,431)	(56,354)	11	(123,253)	(110,281)	12
Profit (loss) before taxation		36,627	(109,358)	n.m	17,107	(17,825)	n.m
Taxation	7	(22,594)	10,547	n.m	(20,685)	(19,076)	8
Net profit (loss) for the period		14,033	(98,811)	n.m	(3,578)	(36,901)	(90)
Other comprehensive income:							
Items that will not be reclassified to profit or loss:							
Net actuarial loss on post-employment benefits		(6,356)	(36,255)	(82)	(13,105)	(18,810)	(30)
Items that may be reclassified subsequently to profit or loss:							
Foreign currency translation gain (loss)		6,004	(2,731)	n.m	(3,210)	(16,356)	(80)
Total comprehensive income for the period		13,681	(137,797)	n.m	(19,893)	(72,067)	(72)
Net profit (loss) attributable to:							
Owners of the Company		7,925	(100,119)	n.m	(10,915)	(91,997)	(88)
Non-controlling interests		6,108	1,308	367	7,337	55,096	(87)
		14,033	(98,811)	n.m	(3,578)	(36,901)	(90)
Total comprehensive income attributable to:							
Owners of the Company		7,400	(139,058)	n.m	(27,397)	(127,080)	(78)
Non-controlling interests		6,281	1,261	398	7,504	55,013	(86)
		13,681	(137,797)	n.m	(19,893)	(72,067)	(72)
Earnings per share attributable to owners of the Company							
Basic		3	(42)		(5)	(39)	
Diluted		3	(42)		(5)	(39)	

n.m : not meaningful

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

B. Condensed interim statement of financial position

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Note	Rp'million	Rp'million	Rp'million	Rp'million
ASSETS				
Current assets				
Cash and cash equivalents	39,586	30,322	478	770
Restricted deposits	21	6,196	-	-
Trade and other receivables	528,258	463,278	26,250	113,817
Inventories	843,045	876,641	-	-
Advances to suppliers	72,762	65,425	13	-
Derivative financial instruments	2,509	5,412	-	-
Prepaid operating expenses	77,997	93,999	501	505
Total current assets	1,564,178	1,541,273	27,242	115,092
Non-current assets				
Deferred tax assets	119,177	111,129	-	-
Investment in subsidiary companies	-	-	827,279	827,279
Land use rights	63,721	70,268	-	-
Property, plant and equipment	10 530,318	521,923	6	8
Right-of-use assets	86,701	103,229	-	-
Biological assets	434,862	414,724	-	-
Other non-current assets	92,522	11,500	105	-
Total non-current assets	1,327,301	1,232,773	827,390	827,287
Total assets	2,891,479	2,774,046	854,632	942,379
LIABILITIES				
Current liabilities				
Trade and other payables	564,716	451,855	19,560	59,273
Other liabilities	47,900	61,416	2,462	2,631
Advances from customers	5,369	4,361	-	757
Provision for taxation	9,740	8,409	-	-
Loans and borrowings	12 1,044,526	1,238,979	-	-
Lease liabilities	31,105	58,387	-	-
Total current liabilities	1,703,356	1,823,407	22,022	62,661
Non-current liabilities				
Deferred tax liabilities	53,547	43,508	-	-
Post-employment benefits	296,732	296,521	-	-
Loans and borrowings	12 472,872	196,551	-	-
Lease liabilities	1,517	32,063	-	-
Other liabilities	-	-	258,597	304,159
Total non-current liabilities	824,668	568,643	258,597	304,159
Total liabilities	2,528,024	2,392,050	280,619	366,820
Net assets	363,455	381,996	574,013	575,559

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

B. Condensed interim statement of financial position (cont'd)

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
EQUITY				
Equity attributable to equity holders of the				
Share capital	13 542,889	539,028	542,889	539,028
Accumulated losses	(832,851)	(808,664)	19,557	19,488
Other reserves	335,405	341,124	11,567	17,043
	45,443	71,488	574,013	575,559
Non-controlling interests	318,012	310,508	-	-
Total equity	363,455	381,996	574,013	575,559

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

C. Condensed interim statements of changes in equity

Group	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Accumulated losses	Restructuring reserves	Premium paid on acquisition of non-controlling interest	Performance share plan reserve	Foreign currency translation reserves	Total		
Balance at 1 Jan 2021	539,028	(808,664)	309,050	(3,037)	5,148	29,963	71,488	310,508	381,996
Profit (loss) for the period	-	(10,915)	-	-	-	-	(10,915)	7,337	(3,578)
Other comprehensive income for the period:									
- Net actuarial loss on post-employment benefits	-	(13,272)	-	-	-	-	(13,272)	167	(13,105)
- Foreign currency translation loss	-	-	-	-	-	(3,210)	(3,210)	-	(3,210)
Other comprehensive income for the period, net of tax	-	(13,272)	-	-	-	(3,210)	(16,482)	167	(16,315)
Total comprehensive income for the period	-	(24,187)	-	-	-	(3,210)	(27,397)	7,504	(19,893)
Contribution by and distribution to owners:									
- Issuance of shares under performance share plan	3,861	-	-	-	(3,861)	-	-	-	-
- Grant of equity-settled performance share plan	-	-	-	-	1,352	-	1,352	-	1,352
Total contribution by and distribution to owners	3,861	-	-	-	(2,509)	-	1,352	-	1,352
Balance at 31 Dec 2021	542,889	(832,851)	309,050	(3,037)	2,639	26,753	45,443	318,012	363,455
Balance at 1 Jan 2020	537,603	(697,868)	309,050	(3,037)	5,326	46,247	197,321	4,857	202,178
Profit for the period	-	(91,997)	-	-	-	-	(91,997)	55,096	(36,901)
Other comprehensive income for the period:									
- Net actuarial gain (loss) on post-employment benefits	-	(18,799)	-	-	-	-	(18,799)	(11)	(18,810)
- Foreign currency translation loss	-	-	-	-	-	(16,284)	(16,284)	(72)	(16,356)
Other comprehensive income for the period, net of tax	-	(18,799)	-	-	-	(16,284)	(35,083)	(83)	(35,166)
Total comprehensive income for the period	-	(110,796)	-	-	-	(16,284)	(127,080)	55,013	(72,067)
Contribution by and distribution to owners:									
- Equity attributable to non-controlling interest	-	-	-	-	-	-	-	249,920	249,920
- Disposal of a subsidiary	-	-	-	-	-	-	-	718	718
- Issuance of shares under performance share plan	1,425	-	-	-	(1,425)	-	-	-	-
- Grant of equity-settled share options to employees	-	-	-	-	1,247	-	1,247	-	1,247
Total contribution by and distribution to owners	1,425	-	-	-	(178)	-	1,247	250,638	251,885
Balance at 31 Dec 2020	539,028	(808,664)	309,050	(3,037)	5,148	29,963	71,488	310,508	381,996

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

C. Condensed interim statements of changes in equity (cont'd)

Company	Attributable to owners of the Company				
	Share capital	Accumulated losses	Performance share plan reserve	Foreign currency translation reserves	Total
	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
Balance at 1 Jan 2021	539,028	19,488	5,148	11,895	575,559
Total comprehensive income for the period	-	69	-	(2,967)	(2,898)
Issuance of shares under performance share plan	3,861	-	(3,861)	-	-
Grant of equity-settled performance share plan	-	-	1,352	-	1,352
Balance at 31 Dec 2021	542,889	19,557	2,639	8,928	574,013
Balance at 1 Jan 2020	537,603	9,443	5,326	20,328	572,700
Total comprehensive income for the period	-	10,045	-	(8,433)	1,612
Issuance of shares under performance share plan	1,425	-	(1,425)	-	-
Grant of equity-settled performance share plan	-	-	1,247	-	1,247
Balance at 31 Dec 2020	539,028	19,488	5,148	11,895	575,559

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

D. Condensed interim consolidated statement of cash flows

	Group	
	31 Dec 21	31 Dec 20
	<i>Rp'million</i>	<i>Rp'million</i>
Cash flows from operating activities		
Profit (loss) before income tax	17,107	(17,825)
Adjustments:		
Interest expenses from loans and borrowings	112,477	97,944
Depreciation of property, plant and equipment	98,773	107,504
Post-employment benefits expense	48,086	45,598
Inventories written-off	22,837	79
Depreciation of right-of-use assets	16,945	16,198
Amortisation of land use rights	7,548	4,395
Net foreign exchange loss (gain)	8,328	(15,255)
Interest expenses from lease liabilities	3,110	5,247
Equity-settled performance share plan	1,352	1,247
Property, plant and equipment written-off	380	-
(Reversal of) allowance for impairment losses for financial assets, net	(192)	346
Interest income	(490)	(298)
(Reversal of) impairment of property, plant and equipment	(529)	529
Net gain on disposal of property, plant and equipment	(1,708)	(1,106)
Net gain on change in fair value of biological assets	(17,811)	(127,979)
Income from insurance claim	(23,614)	-
Bad debts written off	-	3,845
Allowance for advances to suppliers	-	744
Gain on disposal of land use rights	-	(931)
Operating cash flow before changes in working capital	292,599	120,282
Changes in working capital :		
Trade and other receivables	(23,856)	(3,206)
Inventories	10,759	117,740
Advances to suppliers	(24,677)	5,635
Prepaid operating expenses	31,438	10,839
Other non-current assets	(23,392)	(2,032)
Trade and other payable	101,030	(71,162)
Other liabilities	(9,827)	(1,595)
Advance from customers	1,008	(3,774)
Cash flow provided by operations	355,082	172,727
Income tax paid	(49,226)	(24,535)
Post-employment benefits paid	(59,670)	(29,644)
Net cash flows provided by operating activities	246,186	118,548
Cash flows from investing activities		
Purchase of property, plant and equipment	(139,778)	(51,128)
Proceeds from disposal of property, plant and equipment	1,779	1,775
Additions of land use rights	(1,000)	(4,511)
Proceeds from disposal of land use rights	-	935
Additions of biological assets	(2,327)	(3,692)
Interest received	490	298
Net cash flows used in investing activities	(140,836)	(56,323)

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

D. Condensed interim consolidated statement of cash flows (cont'd)

	Group	
	31 Dec 21	31 Dec 20
	<i>Rp'million</i>	<i>Rp'million</i>
Cash flows from financing activities		
Drawdown of loans and borrowings	5,181,124	4,771,911
Repayment of loans and borrowings	(5,119,732)	(4,522,122)
Interest paid for loans and borrowings	(101,337)	(91,321)
Interest paid for lease liabilities	(3,110)	(5,247)
Repayment of lease liabilities	(59,476)	(72,120)
Withdrawal of restricted deposits	6,229	139
Repayment of loan from a third party	-	(98,083)
Payment of loan facility fee	-	(18,620)
Repayment of loan from a customer	-	(10,000)
	<hr/>	<hr/>
Net cash flows used in financing activities	(96,302)	(45,463)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	9,048	16,762
Effect of exchange rate changes on cash and cash equivalents	216	86
Cash and cash equivalents at beginning of year	30,322	13,474
	<hr/>	<hr/>
Cash and cash equivalents at end of year	39,586	30,322
	<hr/> <hr/>	<hr/> <hr/>

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Samko Timber Limited (the Company) is a public limited liability company incorporated and domiciled in Singapore and is listed on the mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The immediate and ultimate holding company is Sampoerna Forestry Limited, a company incorporated in Singapore.

These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are investment holding and general wholesale trade. The principal activities of the Group are manufacturing, marketing and trading timber-based products.

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in Indonesia Rupiah (Rp) and all values in the tables are rounded to the nearest million, except when otherwise indicated.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended as set out in Note 2.1.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

2.2 Use of judgements and estimates (cont'd)

Management is of the opinion that there is no instance of application of judgement which is expected to have a significant impact on the amounts recognised in the Group's condensed interim financial statements for six months and full year ended 31 December 2021.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Revenue and segment information

4.1. Revenue

	6 months ended			12 months ended		
	31 Dec 2021	31 Dec 2020	Change	31 Dec 2021	31 Dec 2020	Change
	<i>Rp'million</i>	<i>Rp'million</i>	<i>%</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>%</i>
Domestic sales	702,234	694,662	1	1,239,603	1,396,728	(11)
Export sales	1,419,404	920,345	54	2,703,559	1,798,006	50
Total	<u>2,121,638</u>	<u>1,615,007</u>	<u>31</u>	<u>3,943,162</u>	<u>3,194,734</u>	<u>23</u>
Timing of transfer of goods and services						
At a point in time	<u>2,121,638</u>	<u>1,615,007</u>	<u>31</u>	<u>3,943,162</u>	<u>3,194,734</u>	<u>23</u>

4.2. Segment information

For management purposes, the Group is organised into business divisions based on their products and services, and has two reportable segments as follows:

1. SGS division – refers to the operations of PT Sumber Graha Sejahtera group of entities. This division principally in the business of manufacturing and sales of 1) primary processed timber products (main) such as general plywood and laminated veneer lumber and 2) secondary processed timber products such as truck, piano body parts and decking.
2. ST division – refers to the operations of Samko Timber Limited and Samko Trading Pte Ltd group of entities. This division principally trade in all types of timber products manufactured by the division, SGS division and third parties. This division also produces mainly secondary timber products such as doors and windows.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss after tax which in certain respects, as explained in the table below, is measured differently from profit or loss after tax in the consolidated financial statements. Group corporate expenses are managed on a group basis and are not allocated to operating segments. These operating segments are reported in a manner consistent with internal reporting provided to Mr. Riko Setyabudhy Handoko who are responsible for allocating resources and assessing performance of the operating segments.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

4.2. Segment information (cont'd)

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	SGS division		ST division		Adjustment and elimination		Per consolidated financial statements	
	6 months ended		6 months ended		6 months ended		6 months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
Revenue:								
External customers	1,220,683	571,209	900,955	1,043,798	-	-	2,121,638	1,615,007
Inter-segment	830,187	987,853	-	-	(830,187)	(987,853)	-	-
Total revenue	2,050,870	1,559,062	900,955	1,043,798	(830,187)	(987,853)	2,121,638	1,615,007
Finance income	51	63	179	60	-	-	230	123
Finance expenses	(54,922)	(47,076)	(7,509)	(9,278)	-	-	(62,431)	(56,354)
Depreciation of property, plant and equipment	(47,830)	(54,328)	(311)	(276)	-	-	(48,141)	(54,604)
Depreciation of right-of-use assets	(7,732)	(10,900)	(809)	(1,011)	-	-	(8,541)	(11,911)
Amortisation of land use rights	(3,680)	(2,214)	(94)	(94)	-	-	(3,774)	(2,308)
Post-employment benefits expense	(23,108)	(29,940)	(920)	(609)	-	-	(24,028)	(30,549)
Net gain on change in fair value of biological assets	14,811	692	-	-	-	-	14,811	692
Workers separation expenses	(14)	(6,928)	(67)	(449)	-	-	(81)	(7,377)
Net gain on disposal of property, plant and equipment	1,295	602	-	36	-	-	1,295	638
Inventories written-off	(22,837)	(79)	-	-	-	-	(22,837)	(79)
Income from insurance claim	28,596	-	-	6	-	-	28,596	6
Tax (expenses) benefit	(19,602)	10,927	(2,992)	(380)	-	-	(22,594)	10,547
Segment profit (loss)	14,331	(100,548)	(298)	1,737	-	-	14,033	(98,811)

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

4.2. Segment information (cont'd)

	SGS division		ST division		Adjustment and elimination		Per consolidated financial statements	
	12 months ended		12 months ended		12 months ended		12 months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
Revenue:								
External customers	2,261,051	1,178,761	1,682,111	2,015,973	-	-	3,943,162	3,194,734
Inter-segment	1,577,884	1,925,508	-	-	(1,577,884)	(1,925,508)	-	-
Total revenue	3,838,935	3,104,269	1,682,111	2,015,973	(1,577,884)	(1,925,508)	3,943,162	3,194,734
Finance income	203	230	287	68	-	-	490	298
Finance expenses	(105,601)	(89,759)	(17,652)	(20,522)	-	-	(123,253)	(110,281)
Depreciation of property, plant and equipment	(98,154)	(106,876)	(619)	(628)	-	-	(98,773)	(107,504)
Depreciation of right-of-use assets	(15,340)	(14,570)	(1,605)	(1,628)	-	-	(16,945)	(16,198)
Amortisation of land use rights	(7,360)	(4,207)	(188)	(188)	-	-	(7,548)	(4,395)
Post-employment benefits (expense) income	(46,554)	(46,134)	(1,532)	536	-	-	(48,086)	(45,598)
Net gain on change in fair value of biological assets	17,811	127,979	-	-	-	-	17,811	127,979
Workers separation expenses	(14)	(10,790)	(67)	(540)	-	-	(81)	(11,330)
Net gain on disposal of property, plant and equipment	1,708	1,070	-	36	-	-	1,708	1,106
Inventories written-off	(22,837)	(79)	-	-	-	-	(22,837)	(79)
Income from insurance claim	28,596	-	-	6	-	-	28,596	6
Tax expenses	(18,492)	(17,314)	(2,193)	(1,762)	-	-	(20,685)	(19,076)
Segment profit (loss)	11,028	(32,157)	(14,606)	(4,744)	-	-	(3,578)	(36,901)

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

4.2. Segment information (cont'd)

	SGS division		ST division		Adjustment and elimination		Per consolidated financial statements	
	As at		As at		As at		As at	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
Assets:								
Deferred tax assets	112,232	105,060	6,945	6,069	-	-	119,177	111,129
Segment assets	3,006,654	2,778,733	1,244,615	934,075	(1,359,790)	(938,762)	2,891,479	2,774,046
Expenditures for segment non-current assets:								
Additions to property, plant and equipment	105,370	83,558	123	230	-	-	105,493	83,788
Additions to right-of-use assets	22	24,566	1,189	1,819	-	-	1,211	26,385
Additions to land use rights	1,000	4,511	-	-	-	-	1,000	4,511
Liabilities:								
Loans and borrowings	1,405,206	1,171,121	144,814	354,859	-	-	1,550,020	1,525,980
Provision for taxation	6,754	8,200	2,986	209	-	-	9,740	8,409
Deferred tax liabilities	53,547	43,468	-	41	-	-	53,547	43,509
Segment liabilities	2,358,934	2,051,776	827,172	514,155	(658,082)	(173,882)	2,528,024	2,392,049

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

4.3. Disaggregation of revenue

	6 months ended			12 months ended		
	31 Dec 2021	31 Dec 2020	Change	31 Dec 2021	31 Dec 2020	Change
	<i>Rp'million</i>	<i>Rp'million</i>	%	<i>Rp'million</i>	<i>Rp'million</i>	%
North America	781,768	317,419	146	1,327,385	510,784	160
Indonesia	702,234	694,662	1	1,239,603	1,396,728	(11)
North Asia	437,092	341,653	28	901,584	784,317	15
Malaysia	144,891	138,440	5	359,119	297,035	21
Singapore	44,610	99,733	(55)	85,917	141,422	(39)
Others	11,043	23,101	(52)	29,554	64,449	(54)
	<u>2,121,638</u>	<u>1,615,007</u>	<u>31</u>	<u>3,943,162</u>	<u>3,194,734</u>	<u>23</u>

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 2020:

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
Trade receivables, net of allowance				
- Third parties	376,976	345,753	1,259	42,701
Other receivables, net of allowance				
- Third parties	148,843	107,329	5	19
- Related parties	2,439	10,196	-	-
- Subsidiaries	-	-	24,986	71,097
Total trade and other receivables	<u>528,258</u>	<u>463,278</u>	<u>26,250</u>	<u>113,817</u>
Less: Other receivables	(117,723)	(97,634)	-	-
Add:				
- Cash and cash equivalents	39,586	30,322	478	770
- Restricted deposits	21	6,196	-	-
- Guarantee deposits	4,635	4,527	105	-
Total financial assets carried at amortised costs	<u>454,777</u>	<u>406,689</u>	<u>26,833</u>	<u>114,587</u>

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

5. Financial assets and financial liabilities (cont'd)

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
Trade payables				
- Third parties	511,213	362,549	-	-
- Related parties	3,220	1,166	-	-
- Subsidiaries	-	-	17,760	56,260
Other payables				
- Third parties	50,271	88,140	445	1,763
- Related parties	12	-	-	-
- Subsidiaries	-	-	1,355	1,250
Total trade and other payables	564,716	451,855	19,560	59,273
Add:				
- Other liabilities*	13,683	28,656	260,908	306,528
- Loans and borrowings	1,517,398	1,435,530	-	-
- Lease liabilities	32,622	90,450	-	-
Total financial liabilities carried at amortised costs	2,128,419	2,006,491	280,468	365,801

* excludes value added tax

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

6. Profit (loss) before taxation

6.1. Significant items

	6 months ended			12 months ended		
	31 Dec 2021	31 Dec 2020	Change	31 Dec 2021	31 Dec 2020	Change
	<i>Rp'million</i>	<i>Rp'million</i>	%	<i>Rp'million</i>	<i>Rp'million</i>	%
Depreciation:						
- property, plant and equipment	(48,141)	(54,604)	(12)	(98,773)	(107,504)	(8)
- right-of-use assets	(8,541)	(11,911)	(28)	(16,945)	(16,198)	5
Interest expenses:						
- loans and borrowings	(57,333)	(49,763)	15	(112,477)	(97,944)	15
- lease liabilities	(1,308)	(2,864)	(54)	(3,110)	(5,247)	(41)
Post-employment benefits expense	(24,028)	(30,549)	(21)	(48,086)	(45,598)	5
Inventories written-off	(22,837)	(79)	n.m	(22,837)	(79)	n.m
Amortisation of land use rights	(3,774)	(2,308)	64	(7,548)	(4,395)	72
Property, plant and equipment written-off	(380)	-	n.m	(380)	-	n.m
Interest income	230	123	87	490	298	64
Worker separation expenses	(81)	(7,377)	(99)	(81)	(11,330)	(99)
Net gain on disposal of property, plant and equipment	1,295	638	103	1,708	1,106	54
Net foreign exchange gain (loss)	4,834	3,307	46	(6,907)	(18,918)	(63)
Net gain on change in fair value of biological assets	14,811	692	2,040	17,811	127,979	(86)
Income from insurance claim	28,596	6	n.m	28,596	6	n.m

n.m : not meaningful

6.2. Related party transactions

All related party transactions had been entered in the ordinary course of business based on normal commercial terms.

7. Taxation

The Group calculates the period income tax (expense) benefit using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax (expense) benefit in the condensed interim consolidated statement of profit or loss were:

	6 months ended			12 months ended		
	31 Dec 2021	31 Dec 2020	Change	31 Dec 2021	31 Dec 2020	Change
	<i>Rp'million</i>	<i>Rp'million</i>	%	<i>Rp'million</i>	<i>Rp'million</i>	%
Current income tax	(3,936)	(1,088)	262	(6,799)	(3,935)	73
Deferred tax (expense) benefit	(10,920)	15,374	n.m	(3,836)	(11,147)	(66)
Under provision of prior year taxes	(7,738)	(3,739)	107	(10,050)	(3,994)	152
Total	(22,594)	10,547	n.m	(20,685)	(19,076)	8

Indonesia adopts individual company income tax system. Our effective tax rate was not aligned with statutory tax rate due mainly to certain expenses not deductible for tax purposes.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

7. Taxation (cont'd)

During the period, the Group recognised deferred tax expense arising mainly from the recognition of net gain on change in fair value of biological assets and the post-employment benefits.

8. Net asset value

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Net assets for the period attributable to owners of the Company used in computation of net asset value per share (Rp'million)	45,443	71,488	574,013	575,559
Number of ordinary shares at the end of the period	2,384,836,283	2,384,836,283	2,384,836,283	2,384,836,283
Net asset value per ordinary share (Rp full amount)	19	30	241	241

9. Financial assets at fair value through other comprehensive income

9.1. Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and
- Inputs for the asset or liability which are not based on observable market data (unobservable inputs) (**Level 3**)

The following table presented the assets measured at fair value:

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

9. Financial assets at fair value through other comprehensive income (cont'd)

Group	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
	Rp'million	Rp'million	Rp'million	
As at 31 Dec 2021				
Financial assets				
Derivative financial instruments	-	2,509	-	2,509
Non-financial assets				
Biological assets	-	-	434,862	434,862
As at 31 Dec 2020				
Financial assets				
Derivative financial instruments	-	5,412	-	5,412
Non-financial assets				
Biological assets	-	-	414,724	414,724

10. Property, plant and equipment

During the year ended 31 December 2021, the Group acquired assets amounting to Rp140 billion (31 December 2020: Rp51 billion), consisting mainly of assets for the production facilities of Rp88 billion and new machineries of Rp6 billion needed for the Mangole Project, and additional building improvements and new machineries for other subsidiaries of Rp46 billion.

The capital expenditure for the Mangole Project is expected to be US\$81.5 million. This capital expenditure is supported by new bank OCBC loan facility amounting to US\$75 million, made up of US\$65 million facility for capital expenditure of property, plant and equipment and biological assets, and US\$10 million facility for working capital.

	Mangole Project			
	As at 31 Dec 2021		As at 31 Dec 2020	
	US\$million	Rp'million	US\$million	Rp'million
Committed capital expenditure contracts	54.1	771,953	-	-
Uncommitted capital expenditure	27.4	390,971	-	-
Total	81.5	1,162,924	-	-

11. Valuation

The Group engages external, independent and qualified valuers to determine the fair value of its biological assets at the end of the financial year. Discussion on the valuation process, key inputs applied in the valuation approach, and the reason for the fair value changes, are held between the management and the independent valuer on a yearly basis, while for derivative financial instruments (foreign currency forward contracts), valuation techniques with market observable inputs are used for the determination of the fair values of foreign currency forward contracts calculated using forward exchange rates at the reporting date.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

12. Borrowings

Amount repayable in one year or less, or on demand

As at 31 Dec 2021		As at 31 Dec 2020	
Secured	Unsecured	Secured	Unsecured
<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
1,024,707	50,924	1,272,393	24,973

Amount repayable after one year

As at 31 Dec 2021		As at 31 Dec 2020	
Secured	Unsecured	Secured	Unsecured
<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
474,389	-	228,614	-

As at 31 December 2021, our bank borrowings are secured by the following:

- (1) Land use rights, buildings, machinery and equipment, inventories, trade receivables, bank balances of a subsidiary and corporate guarantee from the Company. All other assets of the subsidiaries are on negative pledge to the financial institution and some restriction on dividend payment is imposed; and
- (2) All assets acquired under finance leases are secured against the assets under lease.

As at 31 December 2021, a subsidiary of the Company has not met certain financial covenant ratios requirement as set out in the loan agreement with two of its lenders, Bank OCBC and Bank CTBC. Bank OCBC and Bank CTBC have granted the subsidiary a waiver of having to comply with such covenant ratios.

The lenders continue to support the subsidiary as there is no loans repayment default and the breach is technical in nature. The subsidiary has been servicing the repayments of the loan principal and its interest as and when they fall due and the utilisation of the borrowing facilities continues as usual as of the date of this announcement.

13. Share capital

	Group and Company			
	As at 31 Dec 2021		As at 31 Dec 2020	
	Number of ordinary shares	Share capital <i>Rp'million</i>	Number of ordinary shares	Share capital <i>Rp'million</i>
Beginning of interim period	2,384,836,283	539,028	2,377,150,505	537,603
Issuance of ordinary shares under Samko Performance Share Plan	10,867,280	3,861	7,685,778	1,425
End of interim period	2,395,703,563	542,889	2,384,836,283	539,028

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

14. Performance share plan

The Company did not have any treasury shares, subsidiary holdings or other convertibles, and the Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 2020.

As at 14 July 2021, the Company has issued 10,867,280 share awards ("Shares Awards") in the share capital of the Company to an Executive Director and Chief Executive Officer of the Company pursuant to the Samko Timber Performance Share Plan (the "Samko PSP").

Share Awards granted, vested and released during the financial period of 2021 and 2020, and Share Awards outstanding as at 31 December 2021 and 2020, were set out as follows:

Total Number of Issued Shares Excluding Treasury Shares and Subsidiary Holdings			
No. of Shares		No. of Shares	
As at 1 Jan 2021	2,384,836,283	As at 1 Jan 2020	2,377,150,505
Add: Issuance of shares	10,867,280	Add: Issuance of shares	7,685,778
As at 31 Dec 2021	2,395,703,563	As at 31 Dec 2020	2,384,836,283

Shares Awards Granted, Issued and Outstanding Share Awards			
No. of Shares Awards		No. of Shares Awards	
As at 1 Jan 2021	23,334,812	As at 1 Jan 2020	31,020,590
Add: Shares Awards Granted	-	Add: Shares Awards Granted	-
Less: Shares Awards Issued	10,867,280	Less: Shares Awards Issued	7,685,778
As at 31 Dec 2021	12,467,532	As at 31 Dec 2020	23,334,812

As at 31 December 2021, there were 12,467,532 outstanding Share Awards under the Samko PSP that may be vested and released into 12,467,532 new shares, which representing 0.52% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, in the capital of the Company (31 December 2020: 23,334,812 shares).

15. Subsequent events

There were no material events subsequent to the current period under review and up to the date of this announcement.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Samko Timber Limited and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months and full year then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Condensed interim consolidated statement of profit or loss and other comprehensive income

Our Group reported a net loss of Rp4 billion compared to a net loss of Rp37 billion in FY 2020. Throughout the year, our sales revenue significantly improved compared to those in FY 2020, offset by higher selling expenses during the year and lower net gain on change in fair value of biological assets.

The Group reported a net profit of Rp14 billion in 2H 2021 as the performance was supported mainly by the same factors as mentioned above.

Revenue

In 2H and FY 2021, our sales revenue was significantly higher by 31% and 23% as compare to 2H and FY 2020, mainly due to our export sales continued to perform well. The increase in export sales was due to continue improvement in both sales volume (improved by 17% and 26% in 2H and FY 2021) and selling prices (improved by 32% and 19% in 2H and FY 2021) amid an improvement in export demand over the period as compare to 2H and FY 2020.

The Group's domestic sales deteriorated in FY 2021 came mainly from lower sales volume which was down by 13% as compare to FY 2020, owing to weaker market condition domestically caused by the COVID-19 pandemic, however in 2H 2021 our sales volume was up by 2% as compare to 2H 2020, while the average selling price remained stable for 2H and FY 2021 as compare to 2H and FY 2020.

The composition of our export sales to overall sales also increase from 56% in FY 2020 to 70% in FY 2021.

Gross profit

Our gross profit increased by 87% and 50% in 2H and FY 2021 due mainly to higher sales revenue from export markets as already mentioned above, offset by higher production costs incurred as a result of higher material and overhead costs, while labor costs remained stable.

Other income (expenses)

In 2H and FY 2020, other income came mainly from the net gain on change in fair value of biological assets arising from the acquisition of SGM, offset by the net foreign exchange losses and workers separation expenses, while in 2H and FY 2021, other income were derived mainly from the net gain on change in fair value of biological assets, income from insurance claim, offset by inventories written-off due to fire incident, net foreign exchange losses and amortisation of land use rights.

The strengthening of US Dollar against Rupiah has resulted in unrealized foreign exchange losses due to translation of our US Dollar denominated loans.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

2. Review of performance of the Group (cont'd)

Selling expenses

Our selling expenses increased by 84% and 65% in 2H and FY 2021 as compared to 2H and FY 2020, due mainly to not only because of the increase in the freight costs, which was in line with the increase in the export activities, but also because most industries around the world faced business disruptions due to the COVID-19 pandemic which resulted in the logistic costs to be significantly higher compare to FY 2020.

General and administrative expenses

In the 2H and FY 2021, the general and administrative expenses have remained stable over that of previous period.

Finance Expenses

Our finance expenses relate mainly to interest expense, mainly due to higher utilization of loans for working capital.

Condensed interim statement of financial position

The Group's property, plant and equipment increased by Rp8 billion mainly due to the addition of assets primarily for machineries and production facilities and offset by depreciation charges during the year.

The land use rights and rights-of-use assets decreased by Rp6 billion and Rp16 billion, respectively, mainly due to depreciation charges during the year.

Our biological assets increased by Rp20 billion mainly due to the gain on change in fair value of biological assets and capitalization of plantation costs.

Other non-current assets increased by Rp81 billion mainly due to the Group's effort to put in place a new upgrade of ERP/SAP infrastructures for 2022, additional advances for property, plant and equipment and claims for corporate tax refund.

In FY 2021, our Group's current assets have increased to Rp1,564 billion. The increase was mainly due to:

1. higher trade and other receivables were mainly due to the increase in export sales and insurance claim;
2. higher advance to suppliers for log and plywood;
3. offset by lower inventories, as a result of the Company trying to manage the working capital during the COVID-19 pandemic; and
4. lower prepaid operating expenses. Prepayments were made in the ordinary course of business, mainly for VAT receivables and income taxes, insurance, rental, and freight

As at 31 December 2021, our Group's current and non-current liabilities have increased by Rp136 billion to Rp2,528 billion. This was contributed mainly by:

1. increase in loans and borrowings and lease liabilities totaling Rp24 billion; and
2. increase trade and other payables of Rp113 billion

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

2. Review of performance of the Group (cont'd)

Condensed interim consolidated statement of cash flows

During the year, the Group generated cash inflow of Rp246 billion from operating activities, and incurred cash outflow of Rp141 billion and Rp96 billion from investing and financing activities, respectively. Net cash increased by Rp9 billion.

Our cash generated from operating activities was attributable mainly to improved sales performance and better inventories turnover in FY 2021 as compared to FY 2020.

Our cash used in the investing activities was mainly for acquisitions of property, plant and equipment.

Our cash outflow in the financing activities related mainly to net repayments of bank borrowings and leases, along with the interest payments. The repayments of bank borrowings, lease liabilities, and their interests were in accordance with the repayments schedule.

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

Not applicable

4. A commentary at the date of the announcement of the 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

- 1) The Group has US dollar borrowings, where the risk of foreign exchange fluctuation may materially affect the Group's results (positively or negatively depending on, *inter alia*, the direction of the fluctuation). Although the risk may be mitigated by our US dollar export sales (thus providing the natural hedging to the foreign currency fluctuation exposure), we illustrate below the sensitivity impact of our US dollar borrowings to our net loss arising from the possible change in the US exchange rate, assuming all other variables are held constant with tax rate of 22% in Indonesia:

Indonesia Rupiah to US Dollar exchange rates	(Weakened) / strengthened	Loss after tax for the year Rp4 billion (Increase)/ decrease
<i>Rp'full amount</i>		<i>Rp'million</i>
15,125	(6%)	(34,024)
14,840	(4%)	(22,682)
14,554	(2%)	(11,342)
13,984	2%	11,342
13,698	4%	22,682
13,413	6%	34,024

Our US\$ loans as at 31 December 2021 and 2020 were US\$59 million and US\$52 million

Exchange rate:	<u>Rp/US\$1</u>
- 28 February 2022	Rp14,371
- 31 December 2021	Rp14,269
- 31 December 2020	Rp14,105

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

4. **A commentary at the date of the announcement of the 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 (cont'd)**

- 2) In light of the COVID-19 pandemic, the spread of COVID-19 has created a high level of uncertainty to the near-term global economic prospect and caused disruptions to various businesses. The Group has taken precautionary measures to deal with the COVID-19 pandemic in accordance with guidelines provided by the authorities in the respective countries which the Group operates in.
- 3) Due to the COVID-19 pandemic in the early 2020, the domestic market demand on building material has dried up. It puts pressure on volume sold and the average selling price. Yet, at the same time, the pandemic created unique opportunity for the Group to shift most of our volume to Export Market which has much better return compare to Domestic Market.
- 4) Demand from our export market has been encouraging and we believe the export momentum will continue to improve. The Group has taken steps to increase our penetration in both new and existing markets and hope to capture a bigger market share. The continuing efforts to explore and develop better products mix and offerings have produced some positive results and feedbacks from overseas markets.
- 5) Following the asset acquisition in SGM for the Mangole project in 2019, the Group has started the construction of the factory buildings and infrastructures, along with some machineries needed for production. The Group expects to commence production in the last quarter of 2023 and hopes that the Mangole project will provide the Group with the opportunity to enhance its capacity in producing plywood and wood pellet coming from ample supply of log materials in that region.

The Government of Indonesia has also showed its support for the Group's expansion above. In May 2021, PT Mangole Timber Producers ("MTP"), a subsidiary of SGM, has obtained a tax-free holiday from the Government for 100% of its corporate income tax for seven years with the requirement for MTP to achieve certain level of new capital investments.

5. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend will be declared in the current period being reviewed.

(b) Corresponding Period of the Immediately Preceding Financial Period

Any dividend declared for the corresponding period of the immediately preceding financial period?

No.

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

6. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend for financial year ended 31 December 2021 has been declared because of the accumulated losses.

7. Interested person transactions

The following is the aggregate value of all transactions with interested persons for the year ended 31 December 2021:

<i>Name of interested person</i>	<i>Nature of relationship</i>	<i>Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</i>	<i>Aggregate value of all interested person transactions conducted during the financial period under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</i>
		<i>Rp'million</i>	<i>Rp'million</i>
PT Sampoerna Land - <i>Office rental</i>	Mr Michael Joseph Sampoerna, a Director of the Company, together with his immediate family, holds more than 30% of the shareholding interests (direct and indirect)	7,207	-
PT Bank Sahabat Sampoerna - <i>Finance expense</i>		7,847	-

PT Sampoerna Land and PT Bank Sahabat Sampoerna are controlled by the Sampoerna family, who are substantial shareholders of the Company.

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

The Company has received undertaking from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

G. Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months and full year ended 31 December 2021 to be false or misleading in any material aspect

On behalf of the Board of Directors

Eka Dharmajanto Kasih
Non-Executive Chairman

Riko Setyabudhy Handoko
Executive Director and Chief Executive Officer

Singapore
28 February 2022