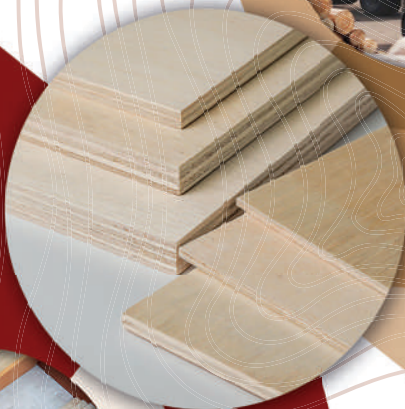




SAMPOERNA KAYOE



SUSTAINABLE **SOLUTIONS**,  
ENDLESS **POSSIBILITIES**

**SAMKO TIMBER LIMITED**  
ANNUAL REPORT 2024

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SAMPOERNA KAYOE

## Company Background

Samko Timber Limited (the “Company” or “Samko” or “Samko Timber”) and its subsidiaries (the “Group” or “Sampoerna Kayoe”) was initially operated as Indonesia’s leading vertically integrated wood resource processor.

However, in line with the challenging economic conditions, the Group in its efforts to divest its lossmaking businesses contributing negatively to the bottom line of the Group, decided to dispose of its subsidiaries, PT Sumber Graha Sejahtera, Samko Trading Pte. Ltd. and Samko Forestry Pte. Ltd., together with their respective subsidiaries (collectively, the “**Disposal Group**”) and to operate as the exclusive distributor of processed plywood, floorbase, film face, laminated veneer lumber and housing products produced by the Disposal Group to purchasers in Singapore, Thailand, Malaysia, Philippines, United States of America and Canada. For further details on the disposal, please refer to the Company’s circular to shareholders dated 10 January 2025. The said disposal was completed on 27 March 2025 and the Group commenced the trading business with effect from 28 March 2025.





“

**Despite a moderate global outlook, economic growth in Indonesia remains solid.**

”

**DEAR SHAREHOLDERS****OVERVIEW OF THE YEAR**

2024 was a year characterised by unrest engendered by a series of geopolitical events. As the Russia-Ukraine war entered its third year, tension arose in the Middle East as a result of Hamas's attack on Israel in late 2023, which created conflict between Iran and Israel.

The power struggle between superpowers, China and US intensified with Donald Trump re-elected as President of the US. This increased the probability of a global economic slowdown as Trump's trade policies weigh down on the business environment with significant downside risks emerging alongside the escalation of geopolitical conflicts.

In view of these events, challenges remain in the business environment in which we operate despite the alleviation of the pandemic effects. Ensuing supply chain disruptions, elevated logistics costs, and labour shortages have affected our operations significantly. This increased the need for an internal restructuring urgently with efficiency improvement standing out as a key focus for the Group. One of our biggest challenges during the year was ensuring that production quality meets industrial standards, while ensuring financial stability and workforce reductions.

In line with the challenging economic conditions, the plywood industry in Indonesia faced issues like economic fluctuations, increased competition, and rising raw material costs despite strong demand for high-quality plywood, especially in export markets. Sustainability has also become a major industrial focus with many companies investing in responsible sourcing and plantation-based wood supply.

As such, we identified that there are growth opportunities in specialised wood products and value-added segments. Hence, the Group made efforts to expand into new markets in Europe and the Middle East. Along the way, we managed to develop strong relationships with international buyers, which positioned the Group to seize growth opportunities when they arise.

Accordingly, since last year the Group started to focus also on the export of its wood-pellets products following the commencement of operations of its wood-pellet production facility in Mangole, Maluku Utara, Indonesia, which will be followed by the commencement of operations of its wood-pellet production facility in Batang, Central Java, Indonesia.

**OPERATIONAL AND FINANCIAL REVIEW**

As uncertainty in the global economy grew, the Group took active measures to refine our operations. Towards this end, the Group disposed of our loss-making manufacturing operations which led to the closure of the underperforming Balaraja Factory located in Tangerang, West Java.

Despite the efforts put in, the Group was unable to sustain the losses incurred from certain subsidiaries, ie PT Sumber Graha Sejahtera, Samko Trading Pte Ltd and Samko Forestry Pte Ltd (collectively, the "Disposed Group"). This situation forced us to the decision to dispose of the Disposed Group which was completed on 27 March 2025.

For the financial year ended 31 December 2024 ("FY2024"), the Group's financial results are presented into continuing operations and discontinued operations as the Company is in the process of disposing the Disposed Group pursuant to the sale and purchase agreement entered on 2 October 2024. The Group's revenue for FY2024 was generated by the Disposed Group which was included in

the discontinued operations. The Group's discontinued operations reported an 8% fall in sales revenue to Rp2.1 trillion against Rp2.2 trillion recognised in the previous year ("FY2023"). This was mainly due to sales volume which contracted by 9% as a result of production challenges, despite price increases seen in the European and Middle Eastern markets. Raw material costs, skilled workers' wages and capital investments in new machinery also surged, adding further pressure on thinning margins.

Consequently, the Group recorded a total loss of Rp1,103 billion against Rp701 billion in FY2023, which mainly stemmed from the discontinued operations of Rp1,088 billion in FY2024 as compared to Rp693 billion in FY2023.

### OUTLOOK

The global economy is expected to be clouded in uncertainty as fluctuating raw material costs, ongoing supply chain disruptions, and varying market demand continue to impact the plywood industry. Intense competition from other Indonesian and Vietnamese mills will lead to price depreciation in the plywood export market, especially for the USA and Korea market. Global events and transportation issues may also disrupt the supply chains of our products, leading to delays and increased costs.

The situation is further compounded by inflation and tighter environmental regulations. As a result, production costs will be under further pressure, although the Group sees a silver lining with our transition towards sustainability to capture eco-friendly markets and emerging high-value segments in both domestic and international markets.

Following shareholders' approval on 3 February 2025 for the proposed adoption of the IPT General Mandate, the Group together with its subsidiaries, Bioforest Pte Ltd and PT Bioforest Indonesia will be appointed by the Disposal Group upon completion of the disposal as the exclusive distributor of primary plywood, laminated veneer lumber, piano parts and processed plywood produced by the Disposal Group to end users/purchasers in Singapore, Thailand, Malaysia, Philippines, United States of America and Canada.

Additionally, the Group will also institute stricter budgeting measures to strengthen our financial position, optimise procurement strategies to mitigate cost fluctuations, and invest in automation to reduce manual labour dependency. Other cost-saving initiatives that we have embarked on process-streamlining efforts, supplier negotiations for better raw material pricing, and energy-efficient production methods to lower operational expenses.

With the above plans in place, FY2025 will be a year of restructuring for the Group as part of the Group's strategy to stem the losses incurred by our manufacturing division. During this period, we will endeavour to divest our manufacturing business, effective 27 March 2025 and retain our sales and distribution business operating via Bio-forest Pte Ltd. Upon completion of our internal restructuring, there will be significant Board movements as we put together a new team to revitalise the business.

## ACKNOWLEDGEMENTS

I would like to express my appreciation for the services rendered by Mr. Eka Dharmajanto Kasih, Mr. Riko Setyabudhy Handoko, Mr. Michael Joseph Sampoerna, and Mr. Timotius who stepped down as Directors on 27 March 2025. We wish them success in their future endeavours.

On behalf of the Board, I would like to thank our management team and staff for their commitment and hard work in helping the Group navigate difficult times. I would also like to extend my gratitude to our business partners, customers and shareholders for their trust and support over the years. Despite the headwinds, we will forge ahead and strive to create greater value for all our stakeholders.



# Harmony in Design:

Bridging *Innovation*  
and Nature through  
Our *Sustainable  
Wood Products*







# 01

# Milestone

**1978**

Mr Koh Boon Hong (Hasan Sunarko), Founder of Samko, started business activities in plywood and veneer production

**1989**

Acquisition of PT PUPP (PT Panca Usaha Palopo Plywood) shares (processing facilities in Palopo - Sulawesi)

**1993**

Acquisition of PT PSUT (PT Putra Sumber Usaha Timber) shares (processing facilities in Jambi - Sumatera)

**1999**

Establishment of PT SGS (PT Sumber Graha Sejahtera) (processing facilities in Tangerang - Banten/Jawa Barat)

**2002**

Acquisition of PT SLJ Global Tbk (PT Sumalindo Lestari Jaya Tbk) shares

**2004**

Establishment of PT SUB (PT Sejahtera Usaha Bersama)

**2005**

Establishment of Samko Timber Limited (Holding Company in Singapore)

**2006**

Samko Timber Limited takes over PT SGS (PT Sumber Graha Sejahtera) shares, the holding company in Indonesia. Sampoerna Forestry Limited acquired 42.6% of Samko Timber Limited shares

**2008**

Listing of Samko Timber Limited shares in SGX - Singapore (IPO)

**2009**

Establishment of Samko Trading Pte. Ltd. (Distribution Company in Singapore)

**2010**

Completion of the First Rights Issue of Samko Timber Limited Deconsolidation of PT SLJ Global Tbk through a dilution of 51.62% shareholding to 31%. SLJ was in a less favorable financial condition and the deconsolidation strengthens Samko's financial position

**2011**

Establishment of Samkowood Products Sdn. Bhd. (Distribution Company in Malaysia) Commencement of the development of our own industrial forest plantation in Jambi to sustain our future needs for raw material. Announcement of the proposed acquisition of Bioforest Pte. Ltd. from Temasek Life Sciences. Bioforest Pte. Ltd. is a biotechnology company that focuses on the research and development of high-performance tree species for our plantations Establishment of Samko USA LLC (Distribution Company in the USA)

**2012**

Completion of the 100% acquisition of Bioforest Pte. Ltd. Completion of the 65% acquisition of PT Cipta Graha Kreasindo ("CGK"). CGK will on behalf of Samko provide construction and installation services for our products and also provides Samko with faster access to the housing market.

**2013**

Strengthening the capital structure of Samko Trading Pte. Ltd. by way of debt to equity conversion by Samko.

**2014**

Securing the license and approval from the Minister of Forestry of the Republic of Indonesia for a concession of industrial timber plantation (HTI Forestry License) at Central Bangka.

**2015**

Establishment of PT Nusantara Mitra Sejahtera, a joint venture company between Samko Trading Pte. Ltd. and a partner from Japan for Wood Truck Body production.

**2016**

Appointment of Mr Riko Setyabudhy Handoko, as the new CEO of Samko Timber Limited.

Completion of Second Rights Issue of Samko Timber Limited. In this rights issue exercise, Sampoerna Forestry Limited subscribed for a certain number of new shares issued by Samko Timber Limited and subsequently became the holder of approximately 64% of shares of Samko Timber Limited. Disposal of all shares of PT SLJ Global Tbk (PT Sumalindo Lestari Jaya Tbk).

**2017**

Completion of reorganization of the Group, including the merger of PT SGS (PT Sumber Graha Sejahtera), a direct subsidiary of the company, and its 13 subsidiaries, whereby PT SGS became the surviving company Disposal of one factory of PT SGS (PT Sumber Graha Sejahtera) (processing facilities in Tangerang - Banten). Launch of our new brand launch, "Sampoerna Kayoe".

**2020**

The establishment of the Environmental and Sustainability Development Division focused on long-term environmental and social programs across the Group's supply chain and operations. Launch of the Sustainable Forest Management Certification Program. Creating partnerships with smallholder farmers in Java and Sumatra to aid them in obtaining Forest Stewardship Council (FSC) and Low-Intensity Forest Management (SLIMF) certification.

**2021**

PT Sumber Graha Maluku (and its subsidiaries) have started the construction of the plywood factory buildings and infrastructures, to become a fully integrated plywood production facility located in North Maluku Province, which encompasses the forest concessions and the manufacturing plant.

**2022**

The Group was invited as keynote speaker in the 27th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP27) held in Sharm El-Sheikh, Egypt.

**2023**

The entering of a joint venture between investor and the Company for performing the Java Wood Pellet Project.

**2024**

Completion of Third Rights Issue of Samko Timber Limited. In this rights issue exercise, Sampoerna Forestry Limited subscribed for certain number of new shares issued by Samko Timber Limited and subsequently became the holder of approximately 81.91% of shares of Samko Timber Limited.

**2025**

Completion of internal restructuring of the Group, among others by releasing (disposing) the Group manufacturing division / subsidiaries and maintaining (retaining) the Group sale and distribution division / subsidiaries for the sales and distribution of the Group products to Singapore, Thailand, Malaysia, Philippines, United States of America and Canada.

**2018**

Completion of the second phase of reorganization of the Group, i.e. merger of PT SGS (PT Sumber Graha Sejahtera) a direct subsidiary of the company and its 2 subsidiaries, whereby PT SGS became the surviving company New brand launch, "Sampoerna Kayoe" with the campaign theme "Unlimit Possibilities" and "Sustainability".

**2019**

Samko Timber Limited, through its wholly owned subsidiary, PT Sempurna Graha Abadi, has entered into an agreement with PT Barito Wanabinar Indonesia and PT Sumber Graha Maluku to subscribe 51% of shares in PT Sumber Graha Maluku (and its subsidiaries), a group of companies engaging in the business of industrial forest plantations and plywood factories, which holds the forestry concession rights to approximately 59,138 hectares in Maluku Utara Province, Indonesia.



# 02





# Unlocking the Path to Sustainability:

***Opening Doors***  
to a Greener  
Tomorrow



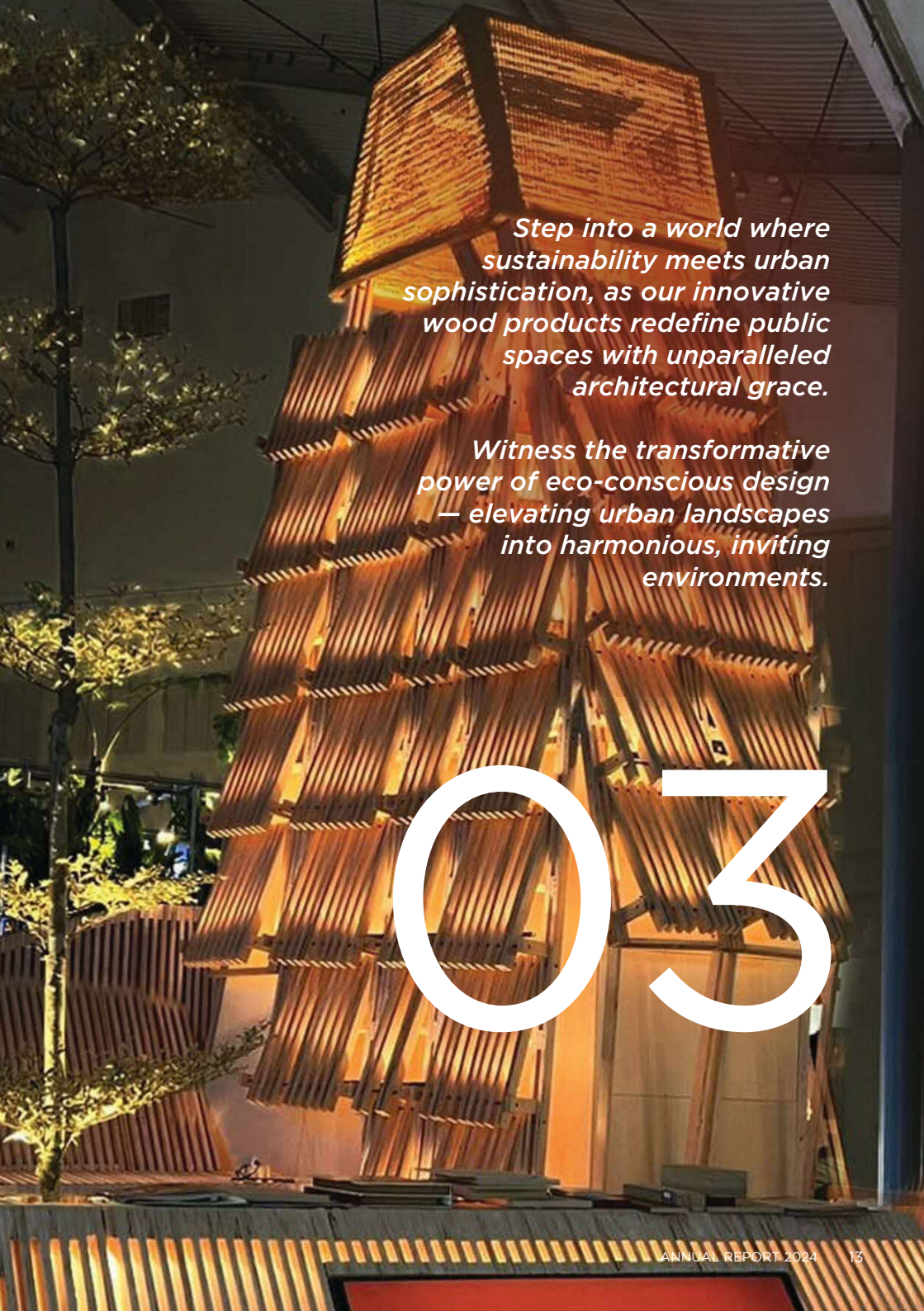


# Elevating Public Spaces:

Our ***Sustainable  
Wood Products***  
Transforming Urban  
Landscapes with  
***Architectural Grace***

*Experience the synergy  
of nature and modernity  
in every structure,  
marking a new era where  
sustainable materials  
shape the aesthetic and  
environmental future of  
our cities.*





*Step into a world where  
sustainability meets urban  
sophistication, as our innovative  
wood products redefine public  
spaces with unparalleled  
architectural grace.*

*Witness the transformative  
power of eco-conscious design  
— elevating urban landscapes  
into harmonious, inviting  
environments.*

03



**Ms Meriana Ang Mei Ling**  
Independent and  
Non-Executive Director

**Mr Ito Sumardi**  
Independent and  
Non-Executive Director

**Mr Hadi Daryanto**  
Independent and  
Non-Executive Director



**Ms Meriana Ang Mei Ling**

Independent and Non-Executive Director

**Date of first appointment as a director:**  
15 May 2024

**Date of the last re-election as a director:**  
-

**Present directorship:**  
**Other Listed Companies**  
Nil

**Other principal commitments:**  
CLA Global TS Public Accounting Corporation  
*Assurance Director*

**Past directorships in listed companies held over the preceding three years:**  
Nil

Age 43, Ms. Meriana has served on the board since May 2024. She started her career as auditor with CLA Global TS Public Accounting Corporation (CLA Global TS) in December 2004 and is currently holding the role of an assurance director at CLA Global TS. Ms. Meriana has more than 20 years of experience in providing assurance services to public listed companies, multinational corporations, family offices, fund companies and small and medium enterprises. She has also been involved in many corporate actions projects, including (among others) Initial Public Offering (IPO) and Reverse Takeover (RTO) projects where CLA Global TS acts as reporting accountants, accounting advisory jobs for IFRS conversion and due diligence reviews for clients making their decisions on significant investment acquisitions. Ms. Meriana holds professional degree from Association of Chartered Certified Accountants (ACCA), United Kingdom which she obtained in 2004. She is a practising chartered accountants registered with the Accounting and Corporate Regulatory Authority, a fellow member of ACCA, United Kingdom and a member of the Institute of Singapore Chartered Accountants.

**Mr Ito Sumardi**

Independent and Non-Executive Director

**Date of first appointment as a director:**  
1 April 2021

**Date of the last re-election as a director:**  
29 April 2023

**Present directorship:**  
**Other Listed Companies**  
PT FKS Food Sejahtera Tbk  
*Independent commissioner*  
PT Japfa Comfeed Tbk  
*Independent commissioner*

**Other principal commitments:**  
PT Paramount Land  
*President commissioner*

**Past directorships in listed companies held over the preceding three years:**  
Nil

Aged 71, Mr Ito Sumardi was appointed to the board in April 2021. Mr. Sumardi has extensive experience both in the corporate/private sector, and military/governmental sector. Before joining the Group, he served as President Commissioner in several private and public companies in Indonesia (2019-now), as well as the Ambassador of LBBP for the Republic of Indonesia in Myanmar (2014-2019). Mr. Sumardi also spent more than 30 years in police/military services (1978-2011), with the latest position as head of the criminal detective division of the national police (Mabes).

He holds among others the following degrees:

- Doctoral/Ph.D. degree of law from Pajajaran University, Bandung - 2008
- Master's degree of law from Pajajaran University, Bandung - 2005
- Master's degree of human resources management from Bramshill college, UK - 1998
- Master's degree of Business Administration of Institut Pengembangan Wiraswasta Indonesia, Jakarta - 1997
- a Bachelor's degree in Islamic Law



### Mr Hadi Daryanto

Independent and Non-Executive Director

**Date of first appointment as a director:**

1 April 2021

**Date of the last re-election as a director:**

29 April 2022

**Present directorship:**

Other Listed Companies PT Semen  
Baturaja Tbk Commissioner

**Other principal commitments:**

Nil

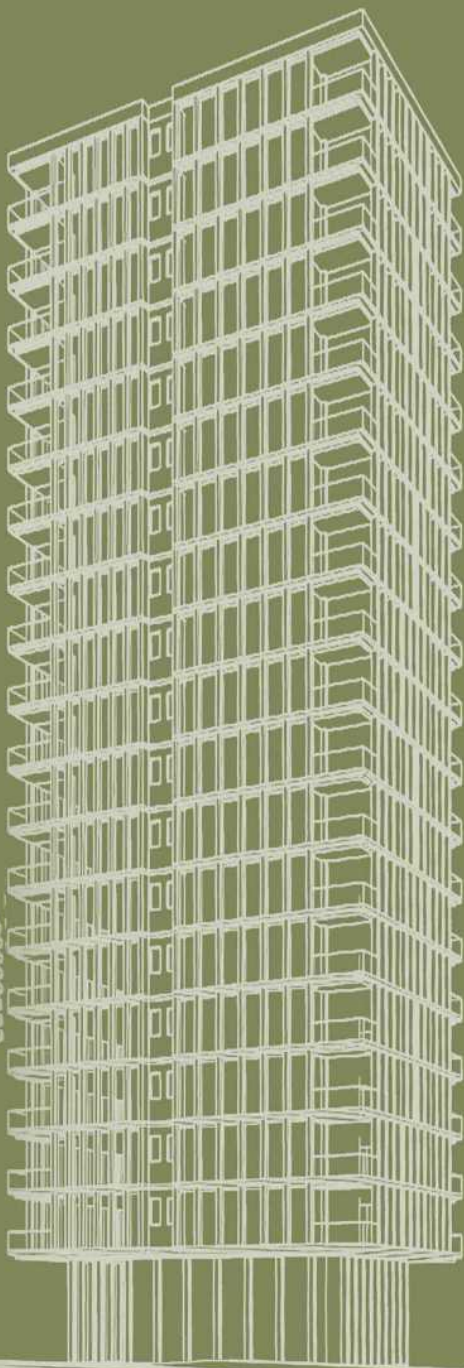
**Past directorships in listed companies  
held over the preceding three years:**

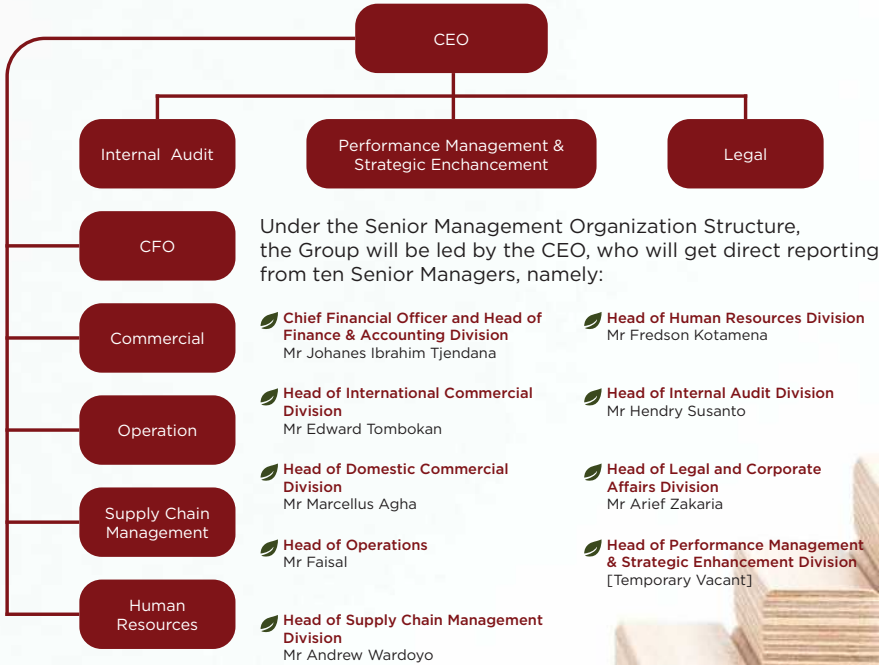
Nil

Aged 68, Mr Hadi Daryanto was appointed to the board on 1 April 2021. He has extensive education at the Faculty of Forestry at Bogor Agricultural University (1977-1981) and then obtained Doctor Ingenieur in Wood Science from Institut National Polytechnique de Lorraine (I.N.P.L), Nancy, France 1983-1988. Before joining the group, he held various positions, among others:

1. Secretary and then became Director General of Forest Utilization now known as Sustainable Production Forest Management (2007-2010),
2. Secretary General of Forestry Ministry (2010-2015),
3. Director General of Social Forestry and Partnership at Environment and Forestry Ministry (2015-2017),
4. Senior Advisor to Minister of Environment and Forestry (2017-2018) and
5. Special Staff to Minister of Trade Republic Indonesia (since to 2022 until now).

In addition, he also spends significant time as: Member of Board of Trustee The Center for People and Forest (RECOFTC) in Bangkok (2016-2020), Chairman of the Board of Commissioner State-Owned Enterprise (S.O.E) Perum Perhutani (2009-2015), and Member of the Board of Commissioners of SOE PT. Semen Baturaja Tbk (Public Company) (since 2022).







**Mr Johanes Ibrahim Tjendana** joined the Group in 2018. He holds a Bachelor's degree in Accounting from Trisakti University Jakarta in 1995. He started his career as an auditor at Arthur Andersen/Prasetio Utomo & Co. until 1998. Mr. Johanes possesses 20 years of experience at the senior management level in various palm oil companies. Previously served at PT SMART Tbk (2004-2014), with the last position as Vice President of finance and accounting. Before joining the Group, Mr. Johanes was the Finance Director of Kencana Group.



**Mr Marcellus Agha** joined the Group in 2015. He has very broad experience in both local and export market sales, including his experiences in acting as the Head of International Sales and Marketing for SouthEast Asia, Europe, and the USA as well as Head of Domestic Sales of the Group. Before joining the Group, Mr. Agha spent nine years in the Fast-Moving Consumer Goods industry and held various positions across sales and marketing divisions, where his early career was with PT Nutrifood Indonesia. He graduated with satisfactory results for his Master of Business Administration from the School of Business and Management of the Institute of Technology Bandung, Indonesia.



**Mr Edward Tombokan** joined the Group in 2017 and is managing the Commercial Division. Before joining the Group, Mr. Tombokan possessed 13 years of experience in the Pulp and Paper industry. He held several positions under APP such as General Manager of APP Vietnam, Deputy Mill Head at PT Indah Kiat Pulp and Paper Tbk, and Senior Vice President of Sales at Asia Pulp and Paper. Before that, Mr. Tombokan spent some years in Corporate Finance of PT Enseval Tbk in the Treasury Division. He holds a Bachelor of Science in Business Administration degree majoring in Marketing from the University of Arizona, United States of America.



**Mr Andrew Wardoyo** has been with the Group since November 2019. He earned a Master of Engineering from the University of Toronto in 2009. Before joining the Group, Mr. Wardoyo served as the Chief Executive Officer of The Door Store of America Inc. The Door Store is a subsidiary company of one of the oldest wooden door manufacturers in Asia. Previously, Mr. Wardoyo served as the Chief Operations Officer at PT Dian Bahari Sejati for 4 years. PT Dian Sejati owns, manages, and operates offshore support vessels. His career also allowed him to serve as Floating Crane Operations Manager at PT Mitra Bahtera Segara Sejati Tbk (MBSS), a publicly listed company focused on coal logistics and transshipment services. Mr. Wardoyo possesses management experience with a strong focus on ensuring operational excellence, logistics, and supply chain compliance and efficiency across various industries.





**Mr Fredson Kotamena** joined the Group in 2012 and is responsible for the Human Resources Division. He holds a Bachelor of Marine Engineering degree from Pattimura University, and a Master of Education degree from Pelita Harapan University, Indonesia. He is an HR professional specializing in organizational development, people development & talent management with extensive work experience in the manufacturing and consumer distribution business sector at Orang Tua Group, and the natural resources industry business sector such as pulp & paper, palm oil plantations, and EPC, as well as airplane and shipping management business sector, at Royal Golden Eagle International.



**Mr Hendry Susanto** joined the Group in 2016 and is head of the internal audit division. Before joining the Group, he was the Department Head of Internal Audit at PT Sampoerna Strategic from 2011. Before that, he had worked at PT Siemens Indonesia and KPMG. He holds a Bachelor's in Accounting from Gadjah Mada University, Indonesia.



**Mr Arief Zakaria** worked at/joined the Group in 2013 as head of the legal and corporate affairs division. He holds a Bachelor of Law degree from Parahyangan Catholic University, Bandung, Indonesia, and possesses extensive experience as a professional lawyer for more than 10 years, practicing in general corporate, company acquisition, banking, and financing. Before serving the Group, Mr. Zakaria was joining respectively Lubis, Ganie, Surowidjojo Law Firm (LGS), and Assegaf Hamzah & Partners Law Firm (AHP), both are one of the largest and leading law firms in Indonesia. Mr. Zakaria has also possessed the experience to serve as head of the legal division of PT Bank OCBC Indonesia, and deputy notary of the notary public of some private foreign joint venture banks in Indonesia, including, among others, Deutsche Bank AG, Jakarta branch, PT Sanwa Indonesia Bank, PT Bank Societe Generale Indonesia, and PT Bank Credit Lyonnais Indonesia.



**Mr Faisal** joined the Group in 2008. He has been very dynamic and result-driven Operation Head with more than 15 years of experience, and has proven expertise in driving operational efficiency and optimizing production processes, as well as committed to continuous improvement and driving innovation in the manufacturing industry. Before joining the Group, Mr. Faisal worked for PT LG Phillips Display Indonesia as an Accounting Manager. He holds a Bachelor's Degree in Finance Management from the Indonesian College of Economics.

# 04

*Our designs not only  
redefine spaces, but  
also stand as a timeless  
commitment to a greener  
and eco-conscious future,  
blending innovation with  
environmental harmony.  
Welcome to a world  
where every creation  
tells a story of timeless  
elegance and responsible  
design.*





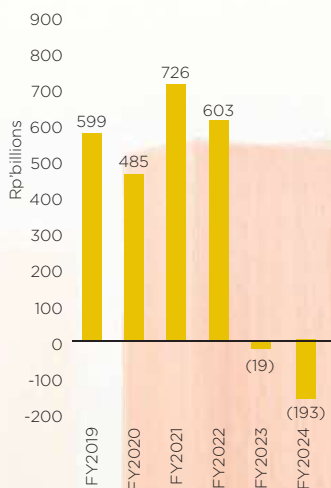


# Financial Highlights

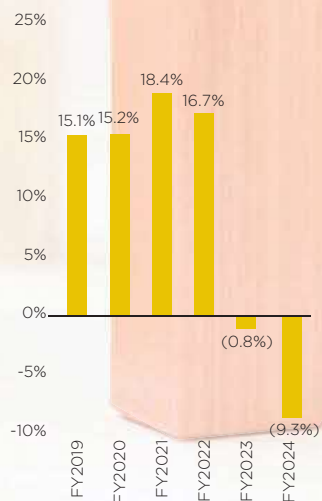
**REVENUE FY2024**



**GROSS PROFIT/LOSS FY2024**



**GROSS MARGIN FY2024**







# Sculpting Success:

A Financial  
**Showcase** with our  
**Wood Products**

*This showcase symbolizes not just artistic prowess, but also the enduring financial strength and stability our products bring to the forefront. Witness the seamless blend of aesthetics and economic impact, crafting a narrative of prosperity within our financial highlights.*



# Our Approach to Sustainability

## Sustaining Progress, Building Impact

Sustainability is not just about making commitments – it is about driving lasting progress and creating meaningful impact. As we present our eighth Sustainability Report, we build upon the foundation of our previous reports, reinforcing our dedication to transparency, accountability, and continuous improvement in sustainability performance.

Under the theme “*Sustaining Progress, Building Impact*”, we emphasize the importance of continuity and accountability. Progress is not a one-time achievement but an ongoing journey requiring consistent action, data-driven evaluation, and continuous refinement. Our approach is guided by national and international sustainability frameworks, ensuring that our Environmental, Social, and Governance (ESG) initiatives align with global best practices and regulatory expectations.

By adhering to established standards, we strengthen our transparency and credibility while driving meaningful change. Through innovation, collaboration, and measurable results, we are not only sustaining progress – we are shaping a lasting impact that defines the future of sustainable business.

## Board Statement

The Board considers sustainability to be an integral component of SAMKO’s long-term strategic direction and is committed to implementing responsible and sustainable practices across all operations. The Board holds overall responsibility for identifying SAMKO’s material Environmental, Social, and Governance (ESG) topics, as well as overseeing their management and monitoring. In 2022, all Board members participated in the SGX-mandated ESG training session to enhance their understanding of these critical issues. The Sustainability Committee (SC) supports the Board by providing assistance and reporting on sustainability matters. The SC is a cross-functional team dedicated to advancing SAMKO’s sustainability initiatives.

## Corporate Climate Strategy

SAMKO acknowledges the importance of adaptation in conducting business amidst global environmental challenges. To mitigate the impacts of climate change, the Company continues to transition toward a low-carbon economy, aligning with the Singapore Exchange (SGX) roadmap. This transition enables SAMKO to provide climate-related disclosures with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Currently, we are beginning to map our alignment with the IFRS Sustainability Standards while continuing to implement the four pillars of the TCFD recommendations-Governance, Strategy, Risk Management, and Metrics & Targets-as the foundation of our climate management strategy. These principles support our efforts in enhancing transparency and resilience in addressing climate risks and opportunities.

## Governance Structure

The assessment and mitigation of risks and opportunities related to climate change and overall sustainability are managed by the Sustainability Group, which operates under the oversight of the CEO and the Board of Directors. The Sustainability Group comprises three main components: the Sustainability Division, the Sustainability Function, and the Working Group.

To ensure the achievement of sustainability goals, the CEO and the Board of Directors actively oversee and participate in all activities conducted by the Sustainability Group, thereby facilitating the effective implementation of sustainability strategies and the attainment of the Sustainability Targets.

In carrying out these responsibilities, the CEO and Board of Directors consider input from various stakeholders, ensuring that the identification and management of organizational impacts, as well as the determination of material topics, reflect broader perspectives and align with evolving sustainability expectations. The company collaborates with stakeholders as needed or at a minimum on an annual basis to discuss concerns and assess the impact of sustainability initiatives, ensuring continuous engagement and alignment with stakeholder expectations.

In building a sustainable business, SAMKO has established a Sustainability Division as a supporting entity responsible for assisting the executive board in decision-making and oversight concerning economic, environmental, and social impacts. The primary task of this division is to ensure that the company's operations and business activities are conducted in accordance with the best sustainability practices.

In the process of formulating the Sustainability Report, both the Independent and Non-Executive Director and the Commercial Director play significant roles in determining material topics and guiding the company's sustainability direction. Additionally, the Board of Directors holds the responsibility of reviewing and approving the information presented in the Sustainability Report.

The composition of SAMKO's sustainability governance body takes diversity into account. Members of this governance body represent a wide range of educational backgrounds, knowledge, expertise, gender, age, race, and experience in their respective fields. Importantly, all members are independent, with no familial relationships with other members or shareholders, nor any business or other relationships that could compromise their independence. Furthermore, none of the members hold concurrent positions that could create conflicts of interest.



# Performance Update

## Biodiversity

Preserving biodiversity is essential to fostering the growth and well-being of all life forms. As part of its commitment to responsible business practices, SAMKO strives to balance its social and environmental responsibilities, including protecting biodiversity in areas surrounding its operations.

To enhance ecological functions, SAMKO integrates biodiversity management by preventing and minimizing the impact of its activities on ecosystems across all operational areas. The Company launched an initiative to distribute about 1,000 Tilapia (Nila) fish spawn in high conservation value areas and planted a total of 950 saplings from various Multipurpose Tree Species (MPTS) in Semarang and Jambi. In 2024, SAMKO maintained these programs from the previous year, focusing on ongoing efforts and ensuring their success.

These efforts aim to enrich biodiversity and strengthen ecosystem resilience in high conservation value areas, reinforcing SAMKO's commitment to environmental sustainability. Guided by its tagline, "Sustainable Tomorrow Starts Today," SAMKO believes that every action taken today shapes the future. This principle drives the Company's ongoing dedication to preserving the planet and securing a sustainable future.

## Sustainable Forestry



### A) *Community Forest*

Samko remains committed to engaging with, supporting, and empowering smallholder farmers through the FSC standards to shape the future of responsible forestry. The Group is expanding support to smallholder farmers to build a wider family of suppliers whose raw materials are FSC-certified. So far, 1,348 farmers have successfully received FSC Small and Low-Intensity Managed Forest (SLIMF) certification, with SAMKO currently managing a total of 60 community forest farmers under its forestry program in Jambi Province and Jombang Regency. The Company will continue to expand its sustainability mission on both national and global scales.



### Community Forest

Sustainable Forest Management:



#### Jambi Province

Rubber Wood (Hevea)



**1,022** Hectares

- High Conservation Value Areas
- Non-Timber Forest Production



#### Sari Mulyo



13 Farmer Groups



360 Farmers



FSC Small or Lo Intensity Managed Forest (SLIMF) Certified



#### Jombang Province

Sengon Wood (Falcataria)



**783** Hectares

- High Conservation Value Areas
- Non-Timber Forest Production



#### Kelompok Pengelola Hutan Rakyat Sumber Sejahtera



47 Farmer Groups



988 Farmers



FSC Small or Lo Intensity Managed Forest (SLIMF) Certified



### Forest Concession

Industrial Plantation with Sustainable Forest Management Practices:



#### Taliabu and Mangole, North Maluku,



**23,022** Hectares

- High Conservation Value Areas
- Social Impact Assessment
- High Carbon Stock Assessment



- VLHHK Certified
- PEFC Certified
- PHL Certified
- Ongoing preparation for SBP



### *B) Forest Concession*

SAMKO has successfully received international sustainable forest management certification, namely the Programme for the Endorsement of Forest Certification (PEFC), for its timber plantations in North Maluku. This accomplishment was followed by the fulfillment of the Timber Legality Assurance System (VLHHK) and several ground assessments, such as High Conservation Value (HCV), Social Impact Assessment (SIA), and High Carbon Stock (HCS) for areas in and around the concession area.

Currently, SAMKO is in the process of obtaining international sustainable forest management certification for its second plantation. To achieve business sustainability, SAMKO continues to develop infrastructures, construct public facilities, and create jobs to improve lives and grow business, engaging and collaborating with the local community every step of the way.

### **Conservation**

Sampoerna Kayoe, recognized as one of the largest processed wood producers in Indonesia and a significant player globally, has successfully completed its second ecotourism venture, Pondok Kayoe, located at Agrowisata Kuncen in Polobogo Getasan, Semarang Regency, Central Java. This follows the successful establishment of its first ecotourism site in the Rimbo Ulu District of Tebo Regency, Jambi.

In its commitment to creating sustainable ecotourism, the Company collaborates with local agencies and farming communities to promote environmentally friendly tourist destinations while preserving the heritage of the local area. This initiative reflects the Company's dedication to supporting sustainable development, fostering economic growth for local farmers, and ensuring environmental conservation.

SAMKO hopes that the ecotourism program will be beneficial for conservation, empowerment, and environmental education, with facilities that underscore its commitment to responsible and sustainable forest management. Furthermore, it aims to create a strong manifestation of preserving nature and local culture through learning about the importance of conservation and biodiversity in maintaining the sustainability of nature.

## Production

### *Supply Chain Management*

SAMKO is dedicated to strengthening its business through responsible practices and continuous transformation. The Company actively improves technology and operational efficiency to optimize production capacity while maintaining a strong commitment to sustainability. By collaborating with smallholder farmers across Indonesia and managing plantations with sustainable forestry practices, SAMKO ensures responsible resource management. These efforts have earned the Company a Chain of Custody Award, recognizing its commitment to supply chain traceability and sustainable sourcing.

| Chain of Custody                                                                                                                                                          |                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Factories Timber Legality Verification:</b>                                          | <ul style="list-style-type: none"><li>• <b>PT Sumber Graha Sejahtera Branch:</b><br/>Muaro Jambi, Semarang, Jombang, Purbalingga, Palopo</li><li>• <b>PT Sumber Graha Maluku Branch:</b><br/>Falabisahaya</li></ul>                                       |
|  <b>Forest Stewardship Council (FSC) – Chain of Custody:</b>                             | <ul style="list-style-type: none"><li>• Samko Timber Ltd – Singapore Branch</li><li>• PT Sumber Graha Sejahtera – Muaro Jambi Branch</li><li>• PT Sumber Graha Sejahtera – Semarang Branch</li><li>• PT Sumber Graha Sejahtera – Jombang Branch</li></ul> |
|  <b>Programme for the Endorsement of Forest Certification (PEFC) – Chain of Custody:</b> | <ul style="list-style-type: none"><li>• PT Mangole Timber Producer</li><li>• Samko Timber Ltd</li></ul>                                                                                                                                                   |
| <b>PEFC – Forest Management Unit:</b>                                                                                                                                     | PT Kalpika Wanatama Unit I and II                                                                                                                                                                                                                         |

### *Advancing Sustainability through Renewable Energy*

The Company has made significant strides in enhancing its sustainability strategies, transitioning from a focus solely on Sustainable Forest Management to incorporating operational efficiencies through renewable energy initiatives, particularly the installation of solar panels. This strategic expansion aligns with the Company's commitment to contributing to the FOLU Net Sink 2030 and addressing global climate challenges.

Currently, the Company operates a solar power plant with a capacity of 1,74 MWp across two factories in Jombang Regency, East Java Province. This facility generates 6, 7 million kWh of energy, has contributed to the avoidance of approximately 2153 tCO<sub>2</sub>e compared to grid-produced electricity.



## Our Downstream Operation Across Indonesia



## People

The Company's programs reflect the interconnectedness of economic, environmental, educational, health, and social issues, recognizing their significance both within and around our operational areas. Engagement is centered on fostering strong relationships with individuals, groups, and organizations that are directly and indirectly impacted by the Company's activities. The Company believes that establishing the right adjustments, cultivating deep connections, and building trust between communities and organizations are essential for developing new pathways toward a sustainable and functioning democracy that is relevant to all stakeholders.

The Group is dedicated to supporting community-based initiatives that align with the Company's business objectives while also providing tangible benefits to society. Throughout the year, we actively participate in various voluntary activities aimed at enhancing community well-being.

Full details of our sustainability initiatives and progress to address our material issues can be found in our Sustainability Report 2024, which will be published in April 2025.

### BOARD OF DIRECTORS

Meriana Ang Mei Ling  
*(Lead Independent and Non-Executive Director)*  
Hadi Daryanto  
*(Independent and Non-Executive Director)*  
Ito Sumardi  
*(Independent and Non-Executive Director)*

### AUDIT COMMITTEE

Ms Meriana Ang  
*(Chairman)*  
Mr Hadi Daryanto  
Mr Ito Sumardi

### NOMINATION COMMITTEE

Mr Hadi Daryanto  
*(Chairman)*  
Mr Ito Sumardi  
Ms Meriana Ang

### REMUNERATION COMMITTEE

Mr Ito Sumardi  
*(Chairman)*  
Ms Meriana Ang  
Mr Hadi Daryanto

### BOARD RISK COMMITTEE

Ms Meriana Ang  
*(Chairman)*  
Mr Ito Sumardi  
Mr Hadi Daryanto

### SECRETARY

Tan Janet

### REGISTERED OFFICE

7500A Beach Road  
#08-305/307 The Plaza  
Singapore 199591  
Tel: 6298 2189  
Fax: 6298 2187

### SHARE REGISTRAR/ SHARE TRANSFER AGENT

Boardroom Corporate &  
Advisory Services Pte. Ltd.  
1 Harbourfront Avenue  
Keppel Bay Tower, #14-07  
Singapore 098632  
Tel: 6536 5355  
Fax: 6536 1360

### AUDITORS

BDO LLP  
600 North Bridge Road  
#23-01 Parkview Square  
Singapore 188778

### AUDIT PARTNER IN CHARGE

Mr. William Ng Wee Liang  
*(Appointed on 04 December 2023)*

## INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Samko Timber Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) recognizes the importance of sound corporate governance practices and are committed to setting and maintaining high standard of corporate governance to ensure greater corporate transparency, accountability, performance and integrity. This is a fundamental part of their responsibilities to protect and enhance shareholders’ value and the financial performance of the Group.

This report describes the key aspects of the Company’s corporate governance framework and practices that were in place throughout the financial year ended 31 December 2024 (“**FY2024**”), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) and accompanying practice guidance (the “**Practice Guidance**”), which forms part of the continuing obligations of the listing rules (the “**Listing Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the Companies Act 1967 of Singapore (the “**Companies Act**”). The focus shall be on areas such as internal controls, risk management, financial reporting internal and external audits.

The Board is pleased to confirm that for FY2024, the Company has complied with the principles and provisions as set out in the Code and the Practice Guidance, where applicable. In areas where the Company’s practices vary from any of the provisions of the Code and the Practice Guidance, the Company has stated herein the provision of the Code and the Practice Guidance (as applicable) from which it has varied, and appropriate explanations are provided for the variations, and how the practices the Company had adopted are consistent with the intent, aim and philosophy of the relevant principles of the Code and the Practice Guidance. The Company will continue to assess its needs and implement appropriate practices accordingly.

## (I) BOARD MATTERS

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### THE BOARD’S CONDUCT OF ITS AFFAIRS

**Principle 1:** *The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.*

#### Provision 1.1

#### **Principle Duties of the Board**

The Board oversees the business affairs of the Group and is responsible for setting the strategic direction of the Group establishing goals for management team of the Company (“**Management**”). In addition, the Board works with Management to achieve these goals set for the Group.

Apart from the statutory responsibilities, the Board is responsible for the overall management of the Group and the review and monitoring of the Group's operations, including:

- reviewing the Group's financial performance;
- considering sustainability issues as part of the Group's strategic formulation;
- establishing its corporate governance policies;
- establishing a framework of prudent and effective controls which enable risks to be assessed and managed;
- reviewing management performance;
- setting the Group's corporate values and standards which include ethical standards and ensuring that obligations to shareholders and others are understood and met; and
- Ensure that the Group maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets;

All Directors exercise reasonable diligence and independent judgement when making decisions and are obliged to act honestly and consider the best interests of the Company at all times.

#### ***Code of Business Conduct and Ethics***

The Company strives to uphold the highest levels of business conduct and integrity in all transactions and interactions. All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. The Company is committed to ensuring that its affairs are conducted with the highest standard of probity and in compliance with any applicable law, legislation or Listing Rules of the SGX-ST.

Directors are encouraged to bring questions about particular circumstances that may implicate one or more provisions of the business conducts and ethics to the attention of the Board. No code or policy can anticipate every situation that may arise. Accordingly, each Director must carry out their duties and responsibilities, including but not limited to:

- avoiding any conflicts of interest with the Company;
- maintaining confidential or proprietary information about the Company or other parties that have dealings with the Company;



- complying with the Company's guidelines and all laws, rules and regulations applicable to the Company;
- endeavoring in any dealing with the Company's customers, suppliers, competitors and employees in a fair manner;
- practicing and promoting ethical behavior and encouraging the employees of the Company to report any illegal or unethical behavior to the Board; and
- communicating any suspected violations promptly to the Board so that investigation can be carried out and that appropriate action will be taken.

This serves as a guide to the Directors on the areas of ethical risk and sets a framework where integrity and accountability are paramount.

### ***Conflict of Interests***

The Board acts in good faith and in the best interests of the Company by exercising due care, skills and diligence, and avoiding conflicts of interest. The Directors are cognizant of their fiduciary duties at law. When a potential conflict of interest situation arises, the affected Director will recuse himself or herself from the discussion and decisions involving the areas of potential conflict, unless the Board is of the opinion that his or her participation is necessary. Where such participation is permitted, the conflicted Director excuses himself or herself for an appropriate period during the discussions to facilitate full and frank exchange by the other Directors and shall in any event recuse himself or herself from the decision-making.

Pursuant to Section 156 of the Companies Act, each director is required to declare if he or she have conflict of interest in any of the corporate transactions. Each director is also required to submit details of his or her associates for the purpose of monitoring interested persons transactions (the "IPT") annually. Where a director has a conflict or potentially conflict of interest in relation to any matter, he or she should immediately declare his or her interest when the conflict-related matter is discussed, unless the Board is of the opinion that his or her presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he or she is abstained from voting in relation to the conflict-related matters.

### Provision 1.2

### ***Director Competencies***

All Directors have a good understanding of the Group's business as well as their directorship duties (including their roles as executive, non-executive and independent directors).

While the duties imposed by law are the same for all directors, a board of directors of a listed company will generally have different classes of directors with different roles:

- **Executive Directors (EDs)** are usually members of the management who are involved in the day-to-day running of the business. Executive Directors are expected to:
  - (a) provide insights on the company's day-to-day operations, as appropriate;
  - (b) provide the management's views without undermining the management's accountability to the board of directors; and
  - (c) collaborate closely with Non-Executive Directors for the long-term success of the company.
- **Non-Executive Directors (NEDs)** are not part of the management. They are not employees of the company and do not participate in the company's day-to-day management. Non-Executive Directors are expected to:
  - (a) be familiar with the business and stay informed of the activities of the company;
  - (b) constructively challenge the management and help develop proposals on strategy;
  - (c) review the performance of the management in meeting agreed goals and objectives; and
  - (d) participate in decisions on the appointment, assessment and remuneration of the Executive Directors and key management personnel ("KMP") generally.
- **Independent Directors (IDs)** are Non-Executive Directors who are deemed independent by the board of directors. Independent Directors have the duties of the Non-Executive Directors, and additionally provide independent, and objective advice and insights to the board of directors and the management.

Directors are expected to develop their competencies to effectively discharge their duties and are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense.

#### ***Appointment Letter***

Upon appointment of each Director, the Company shall provide a formal letter of appointment to the Director, setting out the Director's roles, obligations, duties and responsibilities, and the expectations of their contribution to the Company as a member of the Board.

### *Continuous Training and Development of Directors*

The Company does not have a formal training program for the Directors but all incoming Directors will undergo a comprehensive and tailored induction on joining the Board. This includes his or her duties as a Director and how to discharge those duties, and an orientation programme to ensure that he or she is familiar with the Group's business and governance practices. To get a better understanding of the Group's businesses, the incoming Director(s) will also be given the opportunity to meet with Management.

The Company will also arrange for first-time Director(s) to attend relevant training in relation to the roles and responsibilities of a Director of a public listed company in Singapore as prescribed by the SGX-ST and in areas such as accounting, legal and industry-specific knowledge as appropriate. The training of Directors will be arranged and funded by the Company.

Ms Meriana Ang and Mr Timotius, who were appointed on 15 May 2024 as Lead Independent Director and Independent Director respectively, do not have any prior experience as a director of an issuer listed on the SGX-ST. Mr Timotius resigned as Independent Director with effect from 27 March 2025. Ms Meriana Ang is in the midst of completing her training in the roles and responsibilities of a director of a listed issuer arranged by the Company as prescribed by the SGX-ST within one year from the date of her appointment to the Board.

The Board values on-going professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on and contribute to the Board. The Board will consider adopting a policy on continuous professional development for Directors.

To keep pace with new laws, regulations, changing commercial risks and financial reporting standards, all Directors are encouraged to be members of the Singapore Institute of Directors ("SID") and attend specifically tailored training conducted by professionals at least annually. Directors are also encouraged to attend, at the Company's expense, relevant and useful seminars for their continuing education and skills improvement courses that are conducted by external organisations. The Company Secretary will bring to the Directors' attention information on seminars that may be of relevance or use to them.

All Directors are provided with regular briefings from time to time on changes in the relevant laws and regulations in relation to accounting standards, Listing Rules, corporate governance and other regulations or statutory requirements. Briefings, updates and trainings for the Directors in FY2024 included the following:

- (a) The External Auditors ("EA") had briefed the AC and the Board on changes and/or amendments to accounting standards; and
- (b) The Company Secretary had briefed the Board on the continuing obligations under the Listing Rules as well as periodic updates on the listing manual (the "**Listing Manual**") of the SGX-ST, where necessary.

Provision 1.3***Internal Guidelines on Matters Requiring Board's Approval***

The Company has adopted internal guidelines setting forth matters that require the Board's approval. Under the guidelines, all new investments, any increase in investment in businesses and subsidiaries, and any divestments by any of the Group's companies, and all commitments to term loans and lines of credit from banks and financial institutions by the Company require the approval of the Board.

In addition, the following matters are specifically reserved for the Board's decision and approval:

- (a) Financial results announcements;
- (b) Annual reports and financial statements;
- (c) Nomination/appointment of Directors and KMP;
- (d) Major funding proposal;
- (e) Corporate strategies and financial restructuring; and
- (f) Major investment or acquisition/disposal proposals, including any other transactions of a material nature requiring announcements under the Listing Manual of the SGX-ST.

Provision 1.4***Delegation of Authority to Board Committees***

To ensure smooth operations, facilitate decision-making and ensure proper controls, the Board has delegated some of its powers to its committees. The Board is supported by four (4) Board committees, namely, the Audit Committee (the "**AC**"), the Nomination Committee (the "**NC**"), the Remuneration Committee (the "**RC**") and the Board Risk Committee (the "**BRC**") (collectively, the "**Board Committees**"). Each Board Committee has its own specific terms of reference (the "**Terms of Reference**") setting out the scope of its duties and responsibilities, rules and regulations, and procedures governing the manner in which it is to operate and how decisions are to be taken. The Chairman of the respective Board Committees will report to the Board on the outcome of the committees' meetings and their recommendations on the specific agendas mandated to the committees by the Board.

The Board Committees, which operate within clearly defined Terms of Reference, are actively engaged and play important roles in ensuring good corporate governance.



### Provision 1.5

#### **Meetings of Board and Board Committees**

Since the Company has been required to do quarterly reporting from the third quarter of FY2024, the Board conducts at least three (3) meetings to review the Group's financial results and where necessary, additional Board meetings are held to address significant issues or transactions.

During FY2024, the Board met three (3) times to review the Company's full year results, half year results and third quarter results and to consider proposed corporate actions by the Company. Ad-hoc meetings are held to address significant issues or transactions. In addition to the scheduled meetings, the Board would have informal discussions on corporate events and/or actions, which would then be formally confirmed and approved by circulating resolutions in writing. The Board members also communicate frequently with Management to discuss the business operations of the Group.

The Company's Constitution allows a Board meeting to be conducted by way of a telephone conference and/or by means of similar communication equipment where all Directors participating in the meeting are able to hear each other. Decision of the Board and Board Committees may also be obtained through circular resolutions.

The attendance of the Directors at the Board and Board Committees meetings as well as the general meetings held in 2024 is set out in the table below:

|                                         | Board                           | Board Committees |                      |                        |                      | General Meeting |
|-----------------------------------------|---------------------------------|------------------|----------------------|------------------------|----------------------|-----------------|
|                                         |                                 | Audit Committee  | Nomination Committee | Remuneration Committee | Board Risk Committee |                 |
| <b>No. of meetings held</b>             | <b>4</b>                        | <b>3</b>         | <b>1</b>             | <b>1</b>               | <b>3</b>             | <b>3</b>        |
| <b>Name of Director</b>                 | <b>No. of meetings attended</b> |                  |                      |                        |                      |                 |
| Eka Dharmajanto Kasih <sup>(1)</sup>    | 4                               | -                | -                    | -                      | 2                    | 3               |
| Riko Setyabudhy Handoko <sup>(2)</sup>  | 4                               | 1*               | -                    | -                      | 1                    | 3               |
| Michael Joseph Sampoerna <sup>(3)</sup> | 1                               | -                | -                    | -                      | -                    | 3               |
| Ito Sumardi                             | 4                               | -                | 1                    | 1                      | 3                    | 3               |
| Hadi Daryanto                           | 4                               | 3                | 1*                   | 1*                     | 3                    | 3               |
| Meriana Ang Mei Ling                    | 3                               | 2                | -                    | -                      | 1*                   | -               |
| Timotius <sup>(4)</sup>                 | 3                               | 2                | -                    | -                      | 2                    | -               |

#### **Notes:**

\* By invitation.

- (1) As announced by the Company on 27 March 2025, Mr Eka Dharmajanto Kasih resigned as the Non-Independent Non-Executive Chairman with effect from 27 March 2025.

- (2) As announced by the Company on 27 March 2025, Mr Riko Setyabudhy Handoko resigned as the Executive Director and Chief Executive Officer with effect from 27 March 2025.
- (3) As announced by the Company on 27 March 2025, Mr Michael Joseph Sampoerna resigned as a Non-Independent Director with effect from 27 March 2025.
- (4) As announced by the Company on 27 March 2025, Mr Timotius resigned as an Independent Director, Chairman of the Nomination Committee, Chairman of the Board Risk Committee and member of the Audit Committee and Remuneration Committee with effect from 27 March 2025.

The Board is of the view that the contribution of each Director should not be focused only on his or her attendance at meetings of the Board and/or Board Committees. A Director's contribution may also extend beyond the confines of the formal environment of such meetings, through the sharing of views, advices, experiences and strategic networking relationships which would further the interests of the Company.

#### ***Multiple Board Representations***

The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after considering his or her other principal commitments. The NC also believes that it is for each Director to assess his or her own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The NC does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board.

All Directors are required to declare their board representations on an annual basis and as soon as is practicable after the relevant facts have come to his or her knowledge. When a Director has multiple board representations, the NC considers whether or not the Director is able to and has adequately carried out his or her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

Based on the individual Director's confirmation provided to the NC in FY2024 on his ability to carry out his duties as a Director of the Company and to address any competing time commitments that may arise, the NC believes that it would not be necessary to put a maximum limit on the number of listed company board representations of each Director. The Board and the NC will review the requirement to determine the maximum number of listed company board representations as and when they deem fit.

The NC has evaluated the competing time commitments faced by Directors serving on multiple boards during FY2024 and is satisfied that the Directors are able to and have adequately carried out their duties as Directors of the Company, as well as sufficient time and attention are given to the affairs of the Company, after taking into consideration each of the Directors' number of listed company board representations and other principal commitments in FY2024.

### Provision 1.6

#### ***Access to Information***

The Board is free to request for further clarification and information from Management on all matters within their purview. The schedule of all the Board Committees' meetings for the financial year is usually given to all the Directors well in advance.

To enable the Board to function effectively and to fulfil its responsibilities, Management recognises its obligation to supply the Board and Board Committees with complete, adequate information in a timely manner. In addition, all relevant information on the Group's annual budgets, financial statements, material events and transactions complete with background and explanations are circulated to Directors as and when they arise. A system of communication between Management and the Board has been established and will improve over time.

Each Director has been provided with the up-to-date contact particulars of the Company's KMP and the Company Secretary to facilitate access to any required information. The Company Secretary and her representatives attend all meetings of the Board and Board Committees and are responsible in ensuring that Board procedures and all other rules and regulations applicable to the Company are complied with.

The Board receive half yearly financial management reports, annual budgets and explanation pertaining to the operational and financial performance of the Group, including updates on the Group's financial performance and position, cash flow position and operational performance of the Group's assets.

The Board will also be updated on the industry trends and developments surrounding the Group's various business segments to enable them to oversee the Group's operational and financial performance as well as risks faced by the Group.

### Provision 1.7

#### ***Access to Management and Company Secretary***

The Directors have separate and independent access to Management and the Company Secretary, who are responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied, at all times through email, telephone and face-to-face meetings.

The Directors are also entitled to request for additional information and Management shall provide them on a timely basis. Any additional materials or information requested by the Directors to make informed decisions is promptly furnished.

The Company Secretary assists the Chairman and the Chairman of each Board Committee in the development of the agendas for the various Board and Board Committees meetings. The Company Secretary and/or her representatives attend all meetings of the Board and Board Committees. The Company Secretary prepares the minutes after each meeting and ensures that good information flows within the Board and its Board Committees and between Management and Non-Executive Directors. The Company Secretary also facilitates the orientation of the Board and Management and assists with professional development as and when required. The appointment and removal of the Company Secretary is subject to approval of the Board as a whole.

#### ***Access to Independent Professional Advice***

In furtherance of their duties, the Directors, individually or as a group, may seek independent professional advice on matters relating to the businesses of the Group, at the Company's expense, subject to approval by the Board.

#### **BOARD COMPOSITION AND BALANCE**

***Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.***

##### Provision 2.1

#### ***Director Independence***

The criterion for independence is based on the definition set out in the Code and Practice Guidance, and taking into consideration whether the Director falls under any circumstances pursuant to Rule 210(5)(d) of the Listing Manual of the SGX-ST. The Board considers an "independent" Director as one who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

The NC conducted its annual review of the Directors' independence according to the Code and Rule 210(5)(d) of the Listing Manual of the SGX-ST. Each Director is required to complete a 'Confirmation of Director's Independence' form to confirm his independence. The said form, which was drawn up based on the definitions and guidelines set forth in Rule 210(5)(d) of the Listing Manual, Provision 2.1 of the Code and the Practice Guidance to the Code, requires each Director to assess whether he considers himself independent despite not having any of the relationships identified in the Code. In its deliberation as to the independence of a Director, the NC takes into consideration whether a Director has any business relationships with the Group, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent judgement in the best interest of the Company. The Independent Directors constructively challenge and assist in the development of proposals on strategy and assist the Board in reviewing the performance of Management in meeting agreed goals and objectives, and monitor the reporting of performance.

Under Rule 210(5)(d) of the Listing Rules, a director will not be independent under any of the following circumstances: (i) if he is employed or has been employed by the issuer or any of its related corporations in the current or any of the past three (3) financial years; (ii) if he has an immediate family member who is employed or has been employed by the issuer or any of its related corporations in the current or any of the past three (3) financial years, and whose remuneration is or was determined by the remuneration committee of the issuer; or (iii) if he has been a director of the issuer for an aggregate period of more than nine (9) years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer.

As at the date of this report, none of the Independent Directors, being Ms Meriana Ang, Mr Hadi Daryanto and Mr Ito Sumardi: (i) is or has been employed by the Company or any of its related corporations in the current or any past three (3) financial years; (ii) has an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three (3) financial years, and whose remuneration is or was determined by the RC; and (iii) have served on the Board for an aggregate period of more than nine (9) years.

The Independent Directors have confirmed that they or their immediate family members do not have any relationship with the Company or any of its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Company, and do not fall under any of the circumstances pursuant to Rule 210(5)(d)(i) and (ii) of the Listing Manual of the SGX-ST. The Independent Directors did not own shares of the Company and were not in foreseeable situation that could compromise their independence of thought and decision. The Board, based on the review conducted by the NC, has determined that the said Directors are independent.

### Provision 2.2

#### ***Proportion of Independent Directors***

As at the date of this report, the Board consists of three (3) Independent Directors. The Company has complied with Provision 2.2 of the Code and Rule 210(5)(c) of the Listing Rules as Independent Directors made up a majority of the Board.

The Board is able to exercise objective judgments on corporate affairs independently and constructively challenge key decision, taking into consideration the long-term interest of the Group and its shareholders. Further, the Company has in place an internal guideline for matters requiring Board's approval. Therefore, no individual or a small group of individuals be allowed to dominate the Board's decision making.



Provision 2.3***Proportion of Non-Executive Directors***

For FY2024, a majority of six (6) out of seven (7) Directors on the Board are Non-Executive Directors.

As at the date of this report, the Board consists of three (3) are Independent Directors.

Provision 2.4***Board Composition and Size***

For FY2024, the Board comprises the following seven (7) Directors, one (1) of whom is Executive Director and six (6) of whom are Non-Executive Directors of which four (4) are Independent Directors:

Executive Director

|                         |     |
|-------------------------|-----|
| Riko Setyabudhy Handoko | CEO |
|-------------------------|-----|

Non-Executive Directors

|                          |                                              |
|--------------------------|----------------------------------------------|
| Eka Dharmajanto Kasih    | Non-Executive Chairman (“ <b>Chairman</b> ”) |
| Michael Joseph Sampoerna | Non-Independent Director                     |
| Meriana Ang              | Lead Independent Director                    |
| Timotius                 | Independent Director                         |
| Ito Sumardi              | Independent Director                         |
| Hadi Daryanto            | Independent Director                         |

As at the date of this report, the Board comprises the following three (3) Directors of which all are Independent Directors:

|               |                           |
|---------------|---------------------------|
| Meriana Ang   | Lead Independent Director |
| Ito Sumardi   | Independent Director      |
| Hadi Daryanto | Independent Director      |

The profiles of the Directors are set out on pages 14 to 16 of this Annual Report.

The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group’s operations, the requirements of the businesses and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the NC, believes that its current Board size and the existing composition of the Board Committees effectively serve the Group. It provides sufficient diversity of skills, experience and knowledge of the Group without interfering with efficient decision-making.

### ***Board Diversity***

With a view to achieving a sustainable and balanced development, the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Company is accordingly committed to promoting diversity of the Board. The Company has adopted its diversity policy (the “**Board Diversity Policy**”). In designing the Board’s composition, the Board Diversity Policy requires the NC and the Board to consider a number of aspects, including but not limited to gender, age, nationalities, ethnicity, cultural background, educational background, experience, skills, knowledge, independence and length of service. Any search firm engaged, where required, to assist the Board or a committee in identifying candidates for appointment to the Board will be specifically directed to include diverse, experienced and reputable candidates.

The Board recognizes the importance and benefits of diversity in all ways, regardless of genders, age groups, skillsets, experiences, background and other distinguishing factors/qualities. The main objective of the Board Diversity Policy is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Company.

The Board Diversity Policy applies to the Board and to the Group’s workforce. The Board is aware that the Board Diversity Policy should include the following:

- (a) the Company’s targets to achieve diversity on its Board;
- (b) the Company’s accompanying plans and timelines for achieving the targets;
- (c) the Company’s progress towards achieving the targets within the timelines; and
- (d) a description of how the combination of skills, talents, experience and diversity of its directors services the needs and plans of the Company.

The current Board composition provides a diversity of skills, experience, and knowledge of the Company. The Directors of the Company come from diverse backgrounds and possess core competencies, qualifications and skills, all of whom as a group, provide the Board with a good mix of the necessary experience and expertise to direct and lead the Group. Their combined wealth and diversity of experience enable them to contribute effectively to the strategic growth and governance of the Group.

The NC is of the view that the current Board comprises members with diverse competencies, experience and skills that match the demands of the Group. The Board comprises Directors who provide core competencies in accounting and finance, business experience, industry knowledge, strategic planning and customer-based experience and knowledge.

### ***Diversity Targets and Progress***

The target, timeline and progress towards achieving the diversity objectives are summarized below:

#### **1. Tenure of Service of Board of Directors**

The tenure of each independent Director is monitored closely every year so that the process for Board renewal is reviewed and considered ahead of any independent Director reaching the nine-year mark to facilitate a smooth transition and to ensure that the Board continues to have an appropriate level of independence.

As of the date of this report, none of the Independent Directors have served on the Board for an aggregate period of more than nine (9) years.

#### **2. Diversity of Age**

The ages of the current Directors range from 43 to 71. The Company has not set any specific target for the boardroom age diversity but will work towards having appropriate age diversity in the Board, if opportunity arises. The Company does not fix age limit for its Directors given that such Directors are normally reputed and experienced in the corporate world and could continue to contribute to the Board in steering the Company. The Board is fully committed to promoting age, diversity, valuing the contribution of its members regardless of age, and seek to eliminate age stereotyping and discrimination on age.

#### **3. Female Board Representation**

For FY2024, six (6) Directors were male and one (1) Director is female. As at the date of this report, two (2) Directors are male and one (1) Director is female. The Company believes in achieving an optimum mix of male and female on the Board to provide different approaches and perspectives. As disclosed in the Corporate Governance Report for FY2023, the NC aimed to have at least one (1) female representation on the Board. With the appointment of Ms Meriana Ang as Lead Independent Director on 15 May 2024, the Board has successfully included one (1) female Director to the Board.

#### 4. Maintain majority Board members to be independent

The Company believes that the Board independence enables the Board to function effectively at optimum level during the year and exercise objective judgment on corporate affairs independently. For FY2024, the Board comprised seven (7) members of which four (4) were Independent Directors. As at the date of this report, the Board comprises of three (3) Independent Directors. The Company will continue to maintain the same number of independent Board members to ensure compliance with the Code. The Board has taken the following steps to maintain or enhance its balance and diversity:

- (i) annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- (ii) annual evaluation by the Directors with a view to understanding the range and level of expertise which is potentially lacking on the Board.

#### 5. Balance of skill set on the Board

The Company believes that diversity in skill sets would support the work of the Board and Board Committees and needs of the Company, and that an optimal mix of experience would help shape the Company's strategic objectives and provide effective guidance and oversight of Management and the Company's operations. The broad categories in the skill matrix are (i) industry knowledge; (ii) business and related; (iii) strategic planning; and (iv) professional skills (eg. accounting & finance and legal & regulatory etc).

The NC and the Board had reviewed the skill matrix and are satisfied that the current Board members have the appropriate skill set to lead and govern the Group effectively to achieve the Company's strategic objectives. With the resignations of Mr Eka Dharmajanto Kasih, Mr Riko Setyabudhy Handoko, Mr Michael Joseph Sampoerna and Mr Timotius with effect from 27 March 2025, the NC and the Board aims to have an appropriate mix of expertise with complementary skills, core competencies and experience for facilitating effective decision making in identifying the new Board members. Each Director will be appointed based on his/her skills, experience and knowledge, and is expected to bring forth his/her experience and expertise to the Board for the continuous development of the Group.

#### 6. Ethnicity/Nationality Diversity

The Company does not set any specific target for ethnicity/nationality diversity in the boardroom but will work toward having appropriate ethnicity/nationality diversity in the Board, if opportunities arise.

The NC reviews its targets for diversity from time to time and may recommend changes or additional targets to achieve greater diversity. In addition, the NC reviews the Company's Board Diversity Policy from time to time, as appropriate, to ensure its continued effectiveness and relevance, and any revisions, where necessary, will be recommended to the Board for approval. The Company remains committed to implement the Board Diversity Policy and any further progress made towards the implementation of such policy will be disclosed in future Corporate Governance Reports, as appropriate.

### ***Board Guidance***

An effective and robust Board, whose members engage in open and constructive debate and challenge Management on its assumptions and proposals, is fundamental to good corporate governance. A Board should also aid in the development of strategic proposals and oversee effective implementation by Management to achieve set objectives.

The Directors, in particular the Independent Directors, are kept informed of the Company's business and affairs as well as about the industry in which the Company operates in. This knowledge is essential for the Directors to engage in informed and constructive discussions. To ensure that Independent Directors are well supported by accurate, complete and timely information, Non-Executive Directors have unrestricted access to Management. Besides receiving regular Board briefings on latest market developments and trends, and key business initiatives, periodic information papers, industry and market reports, the Independent Directors are regularly briefed by Management on major decisions and prospective business deals.

### **Provision 2.5**

#### ***Meeting of Independent Directors without Management***

Although all Directors have equal responsibility for the performance of the Group, the role of the Independent Directors is particularly important in ensuring that the strategies proposed by Management are constructively challenged, fully discussed and rigorously examined, assessing the performance of Management in meeting the agreed goals and objectives, as well as monitoring the reporting of performance.

The Independent Directors are encouraged to meet regularly without the presence of Management, so as to facilitate a more effective check on Management. During FY2024, the Independent Directors have met informally at least once without the presence of Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development and the remuneration of Directors and KMP. Thereafter, the Chairman of such meeting will provide feedback to the Board and/or Chairman of the Company as appropriate.



**CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

***Principle 3: There is a clear division of responsibilities between the leadership of the Board and the Management, and no one individual has unfettered powers of decision-making.***

**Provision 3.1**

***Separation of the Role of Chairman and CEO***

The Chairman of the Board and the CEO should in principle be separate persons to maintain an appropriate balance of power and authority, increased accountability and greater capacity of the Board for independent decision making. There is a clear division of responsibilities, as set out in writing and agreed by the Board, between the leadership of the Board and Management responsible for managing the Group's business operations. For FY2024, Mr Eka Dharmajanto Kasih was the Non-Independent Non-Executive Chairman of the Company and Mr Riko Setyabudhy Handoko was the Executive Director and CEO of the Company.

**Provision 3.2**

***Role of Chairman and CEO***

Different individuals assumed the Chairman's and the CEO's roles and the division of responsibilities between the Chairman and the CEO have been clearly established:

- (a) To maintain effective supervision and ensure a balance of power and authority; and
- (b) To ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

Following the disposal by the Company of its subsidiaries (the "**Disposal**"), PT Sumber Graha Sejahtera, Samko Trading Pte. Ltd. and Samko Forestry Pte. Ltd., Mr Eka Dharmajanto Kasih resigned as Non-Independent Non-Executive Chairman of the Company and Mr Riko Setyabudhy Handoko resigned as Executive Director and Chief Executive Officer of the Company with effect from 27 March 2025.

Subsequent to the Disposal and the resignation of Mr Riko Setyabudhy Handoko, Mr Johannes Ibrahim Tjendana, the Chief Financial Officer of the Company has taken on the duties of Chief Executive Officer of the Company. As at the date of this report, the Board does not have a Chairman.

Under the Constitution of the Company, the Directors may elect from their number a Chairman and a Deputy Chairman (or two or more Deputy Chairmen) and determine the period for which each is to hold office. If no Chairman or Deputy Chairman shall have been appointed or if at any meeting of the Directors, no Chairman or Deputy Chairman shall be present within five (5) minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

Mr Johanes Ibrahim Tjendana, has full executive responsibilities in the business directions and operation efficiency of the Group. He oversees execution of the Group's corporate and business strategies and is responsible for the day-to-day running of the business. The performance and remuneration package of the Mr Johanes Ibrahim Tjendana is reviewed periodically by the NC and RC. As the Board Committees comprises of Independent Directors, the Board believes that there are sufficient strong and independent elements and adequate safeguards in place against an uneven concentration of power and authority in a single individual.

### Provision 3.3

#### ***Lead Independent Director***

During FY2024, the Board has a Lead Independent Director, Ms Meriana Ang, to provide leadership in situations where the Chairman, who is not independent, is conflicted. The Lead Independent Director is a key member of the Board, representing the views of the Independent Directors and facilitating a two-way flow of information between shareholders, the Chairman and the Board.

The Lead Independent Director's role may include chairing Board meetings in the absence of the Chairman, working with the Chairman in leading the Board, and providing a channel to Non-Executive Directors for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary.

In addition, the Lead Independent Director may also help the NC conduct annual performance evaluation and development of succession plans for the Chairman and CEO and help the RC design and assess the Chairman's remuneration.

The Lead Independent Director also makes herself available at all times when Shareholders have concerns and for which contact through the normal channels of the Chairman, the CEO or Management have failed to resolve or is inappropriate. The Lead Independent Director makes herself available to shareholders at the Company's general meeting.

There were no query or request on any matters which requires the Lead Independent Director's attention received in FY2024.

### ***Independent Director Meetings in Absence of Other Directors***

Where necessary, the Lead Independent Director shall lead the meetings among the Independent Directors without the presence of other Directors. The Lead Independent Director shall provide feedback to the Chairman of the meeting after such meetings, if it is necessary. During FY2024, the Independent Directors have met unofficially at least once to discuss the Company's matters without the presence of the other Directors, and the Lead Independent Director has also provided the feedback to the Chairman after such meetings.

### **BOARD MEMBERSHIP**

***Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.***

#### Provision 4.1

#### ***Roles and Duties of NC***

The Board established the NC with written Terms of Reference which clearly set out its authority and duties, and report to the Board directly.

The responsibilities and principal functions of the NC, as set out in its Terms of Reference, include:

- (a) regularly and strategically review the structure, size and composition (including the skills, gender, age, qualification, experience and diversity) of the Board and Board Committees;
- (b) identifying and nominating candidates to fill Board vacancies as they occur;
- (c) request nominated candidates to disclose any existing or expected future business interests that may lead to a conflict of interest. This disclosure is to be included in any recommendations to the Board;
- (d) send the newly-appointed Director a formal appointment letter which clearly sets out his or her roles and responsibilities, authority, and the Board's expectations in respect of his or her time commitment as a Director of the company;
- (e) recommends the membership of the Board Committees to the Board;
- (f) reviews the independent status of Non-Executive Directors (in accordance with Rules 210(5)(d)(i), (ii), and (iv) of the Listing Manual of the SGX-ST and the Provision 2.1 of the Code) and that of the alternate Director, if applicable, annually, or when necessary, along with issues of conflict of interest;

- (g) develops the performance evaluation framework for the Board, the Board Committees and individual Directors and propose objective performance criteria for the Board, the Board Committees and individual Directors;
- (h) recommend that the Board removes or reappoints a Non-Executive Director at the end of his or her term, and recommend the Directors to be re-elected under the provisions of the Company's Constitution on the policy of retirement by rotation. In making these recommendations, the NC should consider the Director's performance, commitment and his or her ability to continue contributing to the Board;
- (i) review other directorships held by each Director and decide whether or not a Director is able to carry out, and has been adequately carrying out, his or her duties as a Director;
- (j) identify and develop training programmes/schedules for the Board, assist with similar programmes for the Board Committees and ensure that all Board appointees undergo appropriate induction programme;
- (k) review and ensure that there is a clear division of responsibilities between the Chairman and CEO of the Company in place;
- (l) review the Board with its succession plans for the Board Chairman, Directors, CEO and KMPs of the Company;
- (m) keep up to date with developments in corporate governance initiatives, changes to relevant legislations, strategic issues and commercial changes that may affect the Company and the industry in which it operates; and
- (n) undertake such other functions and duties as may be required by the Board under the Code, statute or the Listing Manual of the SGX-ST (where applicable).

#### Provision 4.2

#### ***NC Composition***

For FY2024, the NC comprises the following three (3) members, all of whom, including the NC Chairman, are Non-Executive and Independent Directors, and one of whom is the Lead Independent Director:

|             |          |
|-------------|----------|
| Timotius    | Chairman |
| Ito Sumardi | Member   |
| Meriana Ang | Member   |

As at the date of this report, the NC comprises the following three (3) members, all of whom, including the NC Chairman, are Non-Executive and Independent Directors, and one of whom is the Lead Independent Director:

|                                     |          |
|-------------------------------------|----------|
| Hadi Daryanto <sup>(See Note)</sup> | Chairman |
| Ito Sumardi                         | Member   |
| Meriana Ang                         | Member   |

**Note:** Mr Hadi Daryanto was re-designated as Chairman of the NC with effect on and from 27 March 2025 in place of Mr Timotius who resigned as an Independent Director of the Company with effect from 27 March 2025.

### Provision 4.3

#### ***Nomination and Selection of Directors***

Where a vacancy arises pursuant to an expansion of the Board or such other circumstances as they may occur, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the NC, in consultation with the Board, determines the selection criteria and selects candidates with the appropriate expertise and experience for the position. The search for a suitable candidate is drawn from the contacts and networks of existing Directors. The NC can also approach relevant institutions such as SID, professional organisations or business federations to source for a suitable candidate. New Directors will be appointed by way of a Board resolution, after the NC makes the necessary recommendation to the Board and the Board approves such appointment.

The NC is responsible for identifying candidates and reviewing all nominations for the appointments of new Directors, amongst others, to consider succession planning and refresh the Board membership progressively and in an orderly manner, to avoid losing institutional memory.

When an existing Director chooses to retire or the need for a new Director arises, either to replace a retiring Director or to enhance the Board's strength, the NC, in consultation with the Board, evaluates and determines the selection criteria so as to identify candidates with the appropriate expertise and experience for the appointment as new Director. The selection criterion includes integrity, diversity of competencies, expertise, industry experience and financial literacy.

#### ***Re-election of Directors***

In accordance with Regulation 93 of the Company's Constitution, every Director shall retire from office once every three (3) years and at each AGM, one-third of the Directors shall retire from office by rotation. In addition, Regulation 94 provides that the retiring Directors are eligible to offer themselves for re-election and 99 provides that all newly appointed Directors shall hold office only until the next AGM and are eligible to offer themselves for re-election.



In addition, all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years, in accordance with Rule 720(5) of the Listing Manual of the SGX-ST.

In respect of re-nominations, the NC will consider the individual Director's contribution and performance and whether the Director has adequate time and attention to devote to the Company, in the case of Directors with multiple board representations.

Accordingly, the Board has accepted the NC's nomination of the retiring Directors who have given their consent for re-election at the forthcoming AGM of the Company.

The NC recommended to the Board that Mr Ito Sumardi who is retiring pursuant to Regulation 93 of the Company's Constitution and Rule 720(5) of the Listing Rules, be nominated for re-election as a Director at the forthcoming AGM. The NC has also recommended to the Board that Ms Meriana Ang, who is retiring pursuant to Regulation 94 of the Company's Constitution, be nominated for re-election as Director at the forthcoming AGM. The Board has accepted the recommendations of the NC. The re-appointments of Mr Ito Sumardi and Ms Meriana Ang shall be subject to shareholders' approval at the forthcoming AGM.

In making the recommendation, the NC has considered the Directors' overall contributions and performance. Each member of the NC shall abstain from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of their own performance or re-election as a Director.

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the retiring Director who seek for re-election as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST is disclosed below:

|                                                                                                                           |                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of Director</b>                                                                                                   | <b>Ito Sumardi</b>                                                                                                                                                                                                                                                                                                  |
| Date of Appointment                                                                                                       | 1 April 2021                                                                                                                                                                                                                                                                                                        |
| Date of last re-appointment (if applicable)                                                                               | 29 April 2023                                                                                                                                                                                                                                                                                                       |
| Age                                                                                                                       | 71 years                                                                                                                                                                                                                                                                                                            |
| Country of principal residence                                                                                            | Indonesia                                                                                                                                                                                                                                                                                                           |
| The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process) | The re-election of Mr Ito Sumardi as an Independent Director of the Company, was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. |
| Whether appointment is executive, and if so, the area of responsibility                                                   | Non-Executive                                                                                                                                                                                                                                                                                                       |

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)                                                                                                                                                                      | <ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Remuneration Committee (Chairman)</li> <li>• Audit Committee (Member)</li> <li>• Nomination Committee (Member)</li> <li>• Board Risk Committee (Member)</li> </ul> |
| Professional qualifications                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>• Bachelor and Master of Law Degree</li> <li>• Master of Business Administration Degree</li> <li>• Master of Human Resources Management Degree</li> <li>• Doctoral Degree</li> </ul>                 |
| Working experience and occupation(s) during the past 10 years                                                                                                                                                              | <ul style="list-style-type: none"> <li>• PT FKS Food Sejahtera Tbk as Independent Commissioner</li> <li>• PT Japfa Comfeed Tbk as Independent Commissioner</li> <li>• PT Paramount Land as President Commissioner</li> </ul>                |
| Shareholding interest in the listed issuer and its subsidiaries                                                                                                                                                            | None                                                                                                                                                                                                                                        |
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries | None                                                                                                                                                                                                                                        |
| Conflict of interest (including any competing business)                                                                                                                                                                    | None                                                                                                                                                                                                                                        |
| Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer                                                                                                              | Yes                                                                                                                                                                                                                                         |
| Past (for the last 5 years)                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>• PT FKS Food Sejahtera Tbk as Independent Commissioner</li> <li>• PT Japfa Comfeed Tbk as Independent Commissioner</li> <li>• PT Paramount Land as President Commissioner</li> </ul>                |
| Present                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>• PT FKS Food Sejahtera Tbk as Independent Commissioner</li> <li>• PT Japfa Comfeed Tbk as Independent Commissioner</li> <li>• PT Paramount Land as President Commissioner</li> </ul>                |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?                                                                                                                                                                                                                                                                                                                             | No |
| (b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | No |
| (c) Whether there is any unsatisfied judgment against him?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | No |
| (d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?                                                                                                                                                                                                                                                                                                                                            | No |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| (e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?                                                                                                                                                                                         | No |
| (f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No |
| (g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?                                                                                                                                                                                                                                                                                                                                                                                        | No |
| (h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?                                                                                                                                                                                                                                                                                                   | No |
| (i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?                                                                                                                                                                                                                                                                                                                            | No |

|                                                                                                                                                                                                                                                                                                                                 |    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| (j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-                                                                                                                                                                                        | No |
| (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or                                                                                                                                                                          | No |
| (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or                                                                                                                                                   | No |
| (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or                                                                                                                                                                  | No |
| (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | No |
| (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?             | No |

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of Director</b>                                                                                                                                                                                                    | <b>Meriana Ang</b>                                                                                                                                                                                                                                                                                                       |
| Date of Appointment                                                                                                                                                                                                        | 15 May 2024                                                                                                                                                                                                                                                                                                              |
| Date of last re-appointment (if applicable)                                                                                                                                                                                | N.A.                                                                                                                                                                                                                                                                                                                     |
| Age                                                                                                                                                                                                                        | 43 years                                                                                                                                                                                                                                                                                                                 |
| Country of principal residence                                                                                                                                                                                             | Singapore                                                                                                                                                                                                                                                                                                                |
| The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)                                                                                                  | The re-election of Ms Meriana Ang as a Lead Independent Director of the Company, was recommended by the NC and the Board has accepted the recommendation, after taking into consideration her qualifications, expertise, past experiences and overall contribution since she was appointed as a Director of the Company. |
| Whether appointment is executive, and if so, the area of responsibility                                                                                                                                                    | Non-Executive                                                                                                                                                                                                                                                                                                            |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)                                                                                                                                                                      | <ul style="list-style-type: none"> <li>• Lead Independent Director</li> <li>• Audit Committee (Chairman)</li> <li>• Nominating Committee (Member)</li> <li>• Remuneration Committee (Member)</li> <li>• Board Risk Committee (Chairman)</li> </ul>                                                                       |
| Professional qualifications                                                                                                                                                                                                | Professional Accountant degree from Association of Chartered Certified Accountants (ACCA)                                                                                                                                                                                                                                |
| Working experience and occupation(s) during the past 10 years                                                                                                                                                              | CLA Global TS Public Accounting Corporation (CLA Global TS) as an Assurance Director                                                                                                                                                                                                                                     |
| Shareholding interest in the listed issuer and its subsidiaries                                                                                                                                                            | None                                                                                                                                                                                                                                                                                                                     |
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries | None                                                                                                                                                                                                                                                                                                                     |
| Conflict of interest (including any competing business)                                                                                                                                                                    | None                                                                                                                                                                                                                                                                                                                     |
| Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer                                                                                                              | Yes                                                                                                                                                                                                                                                                                                                      |



|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Past (for the last 5 years)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |
| Present                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | CLA Global TS as assurance director |
| (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?                                                                                                                                                                                                                                                                                                                             | No                                  |
| (b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | No                                  |
| (c) Whether there is any unsatisfied judgment against him?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | No                                  |
| (d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?                                                                                                                                                                                                                                                                                                                                            | No                                  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| (e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?                                                                                                                                                                                         | No |
| (f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No |
| (g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?                                                                                                                                                                                                                                                                                                                                                                                        | No |
| (h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?                                                                                                                                                                                                                                                                                                   | No |
| (i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?                                                                                                                                                                                                                                                                                                                            | No |

|                                                                                                                                                                                                                                                                                                                                 |    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| (j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-                                                                                                                                                                                        | No |
| (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or                                                                                                                                                                          | No |
| (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or                                                                                                                                                   | No |
| (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or                                                                                                                                                                  | No |
| (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | No |
| (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?             | No |

### ***Alternate Director***

During FY2024, there were no alternate Directors on the Board.

#### Provision 4.4

### ***Continuous Review of Directors' Independence***

The Company has put in place a process to ensure the continuous monitoring of the independence of the Directors whereby the Directors must immediately report any changes in their external appointments that could affect their independence on the Board.

The NC reviews the independence of each Director annually in accordance with the definition of independence in the Code, Practice Guidance and Rule 210(5)(d) of the Listing Manual of the SGX-ST. Each Independent Director has submitted their confirmation of independence for the NC's reviews on an annual basis. For FY2024, the NC has reviewed and confirmed the independence of the Independent Directors of the Company, Ms Meriana Ang, Mr Timotius, Mr Hadi Daryanto and Mr Ito Sumardi, the Board is of the view that they are independent, taking into account the circumstances set forth in the Code, Rule 210(5)(d) of the Listing Manual of the SGX-ST and any other salient factors.

#### Provision 4.5

### ***Onboarding Process for New Director***

The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a Director of the company.

### ***Directors' Time Commitments***

Each director is required to confirm annually to the NC as to whether he or she has any issue with competing time commitments which may impact his or her ability to provide sufficient time and attention to his or her duties as a director of the Company. Based on the Directors' annual confirmation and the Directors' commitments and contributions to the Company, which are also evident in their level of attendance and participation at the Board and Board Committees' meetings, the NC and the Board are satisfied that all the Directors were able to and have been adequately carrying out their duties as Directors of the Company in FY2024.

In addition to the current procedures for the review of the attendance records and analysis of directorships, a policy has also been put in place for the Directors to notify the Board of any changes in their external appointments. This would allow the Director to review his or her time commitments with the proposed new appointment and in the case of an Independent Director, to also ensure that his or her independence would not be affected.

The profile and relevant Information of the members of the Board are set out in the “Board of Directors” section of the Annual Report. In addition, information of the interests of the Directors who held office at the end of the financial year in shares, debentures and share options/awards in the Company and its related corporations (other than the wholly-owned subsidiaries) are set out in the “Directors’ Statement” section of the Annual Report.

### **BOARD PERFORMANCE**

***Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.***

#### **Provision 5.1 and 5.2**

#### ***Performance Criteria***

The Board, through the NC, has used its best effort to ensure that Directors appointed to the Board and Board Committees, whether individually or collectively, possess the background, experience, knowledge in the business, competencies in finance and management skills critical to the Group’s business. It has also ensured that each Director, with his or her special contributions, brings the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made.

The NC has been tasked to assist the Board to develop a performance evaluation framework for the Board, Board Committees and individual Directors, proposed performance criteria and assist in the conduct of the evaluation, analyses the findings and reports the results to the Board.

The NC, together with the Board, has established a formal process setting out the performance criteria for assessing the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each individual Director to the effectiveness of the Board to align with the applicable principles and provisions set out in the Code.

The assessment parameters for each Director include his or her knowledge and abilities, attendance records at the meetings of the Board and Board Committees, and the intensity and quality of participation at meetings. The NC and the Board have relied on the abovementioned parameters to evaluate the Directors’ contribution individually and have taken such evaluation into consideration for the re-nomination of the Directors.

On an annual basis, all the Directors are required to complete the following:

- (a) Board Performance Evaluation Form;
  - Board Committees Evaluation Form;

(b) Performance Evaluation of Individual Directors;

- Confirmation of Multiple Board Representation; and
- Confirmation of Independence.

For FY2024, the NC conducted a formal review of the performance evaluation of the Board, Board Committees and individual Directors, by way of circulating the forms to the Board and Board Committees. The summary of findings of each evaluation together with the feedback and recommendations from the Board, Board Committees and each individual Director had been discussed and reviewed by the NC.

### ***Board Evaluation Process***

The evaluation serves to assess the effectiveness of the Board as a whole on the following parameters:

- (a) Board composition;
- (b) Board conduct of affairs;
- (c) Internal controls and risk management;
- (d) Board accountability;
- (e) CEO performance; and
- (f) Standard of conduct of the Board.

Based on the summary of findings of the evaluation for FY2024 together with the feedback and recommendations from each Director, the NC is satisfied that the Board as a whole had met its performance objective in FY2024.

### ***Board Committees Evaluation Process***

The evaluation serves to assess the effectiveness of the Board Committees on the following parameters:

- establishment and composition of the Board Committees including the membership and duties as recommended by the Code;
- objective and duties as required under each Terms of Reference;
- meetings and participation;
- sufficiency and adequacy in the members' relevant expertise;



- support to enable each member to discharge its functions properly; and
- duties performed as required under the relevant principles and provisions of the Code.

Based on the summary of the evaluation for FY2024 together with the feedback and recommendations from members of the respective Board Committees, the NC is satisfied that each of the Board Committees had met its performance objective in FY2024.

The primary objective of the Board evaluation exercise is to create a platform for the Board and Board Committees members to provide constructive feedback on the Board procedures and processes and the changes which should be made to enhance the effectiveness of the Board and Board Committees.

The NC has, without the engagement of external facilitator, assessed the Board and Board Committees overall performance to-date and is of the view that the performance of the Board as a whole and Board Committees were satisfactory.

#### ***Individual Directors Evaluation Process***

The evaluation serves to assess the effectiveness of the individual Directors on the following parameters:

- interactions with other Board members;
- industry awareness and business knowledge;
- committee work contribution;
- sense of independence; and
- availability and meeting preparation and attendance at the Board and Board Committee meetings.

Based on the summary of the evaluation for FY2024 together with the feedback and recommendations from the respective individual Directors, the NC is satisfied that each of the individual Directors had met its performance objective in FY2024.

The individual Director evaluation exercise assists the NC in determining whether to re-nominate Directors who are due for retirement at the forthcoming AGM of the Company, and in determining whether Directors with multiple board representations are able to and have adequately discharged their duties as Directors of the Company.

Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or his re-nomination as Director.

The NC reviewed the mix of skills and experiences of the Directors that the Board requires to function competently and efficiently in achieving the Group's strategic objectives. When reviewing the Board's performance for FY2024, the NC is satisfied that the Board has a good mix of skills and expertise to meet the needs of the Group and noted the following points:

- (i) Feedback received from the Directors and acted on their comments accordingly; and
- (ii) Individual Director's attendance at meetings of the Board, Board Committees and general meetings, individual Director's functional expertise and his commitment of time to the Company.

The Chairman, in consultation with the NC, will, if necessary, propose steps to be undertaken to strengthen the Board's leadership so as to improve the effectiveness of the Board's oversight of the Company.

## (II) REMUNERATION MATTERS

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### **PROCEDURES FOR DEVELOPING REMUNERATION POLICIES**

***Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and KMPs. No director is involved in deciding his or her own remuneration.***

#### Provision 6.1

#### ***Roles and Duties of RC***

The Board established the RC with written Terms of Reference which clearly set out its authority and duties, and report to the Board directly.

The responsibilities and principal functions of the RC, as set out in its Terms of Reference, include:

- (a) determining the Company's remuneration policies. In doing so, it should also consider the Company's risk appetite and ensure that the policies are aligned to long-term goals;
- (b) ensure that the level and structure of remuneration of the Board and KMP are appropriate and proportionate to the sustained performance and value creation of the Company;
- (c) set the remuneration policy for Directors (both Executive Directors and Non-Executive Directors) and KMP;

- (d) recommend proposed Non-Executive Directors' fees for shareholders' approval;
- (e) monitor the level and structure of remuneration for KMP relative to the internal and external peers and competitors;
- (f) ensure that the remuneration of the Non-Executive Directors is appropriate to the level of contribution;
- (g) review the remuneration of employees related to the Directors, CEO or substantial shareholders, if any, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;
- (h) review the ongoing appropriateness and relevance of the Company's remuneration policy (including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind are covered) and other benefit programmes (where appropriate);
- (i) obtain reliable, up-to-date information on the remuneration practices of other companies and the relevant market benchmarks through the appointment of external consultants;
- (j) oversee any major changes in employee benefits or remuneration structures;
- (k) review the design of all long-term and short-term incentive schemes for approval by the Board and shareholders;
- (l) ensure that the contractual terms and any termination payments are fair to the individual and the Company. Poor performance should not be rewarded;
- (m) set performance measures and determine targets for any performance-related pay schemes operated by the Company;
- (n) ensure that a significant and appropriate proportion of Executive Directors' and KMP remuneration is structured so as to link rewards to corporate and individual performance;
- (o) work and liaise, as necessary, with all other Board Committees on any other matters connected with remuneration matters; and
- (p) undertake such other functions and duties as may be required by the Board under the Code, statute or the Listing Manual of the SGX-ST (where applicable).

The RC recommends to the Board for endorsement, a framework of remuneration and the specific remuneration packages and terms of employment for each Director and KMP, to ensure that Directors are adequately but not excessively remunerated.

### Provision 6.2

#### ***RC Composition***

For FY2024, the RC comprises the following three (3) members, all of whom, including the RC Chairman, are Non-Executive and Independent Directors:

|             |          |
|-------------|----------|
| Ito Sumardi | Chairman |
| Meriana Ang | Member   |
| Timotius    | Member   |

As at the date of this report, the RC comprises the following three (3) members, all of whom, including the RC Chairman, are Non-Executive and Independent Directors:

|               |          |
|---------------|----------|
| Ito Sumardi   | Chairman |
| Meriana Ang   | Member   |
| Hadi Daryanto | Member   |

### Provision 6.3

#### ***Remuneration Packages and Framework***

The RC reviews and recommends to the Board the remuneration packages or policies for the Executive Director/CEO and the KMP based on the performance of the Group, the individual Director and the KMP. No Director individually decides or is involved in the determination of his or her own remuneration. The RC's recommendations are submitted for endorsement by the Board.

The RC reviews the terms and conditions of service agreements of the CEO before their execution. In the course of such review, the RC will consider the Group's obligations arising in the event of termination of Executive Director and KMP, to ensure that the service agreements contain fair and reasonable termination clauses and are not overly generous so as to avoid rewarding poor performance.

The service agreement entered into with the CEO is renewable automatically every three (3) years, such renewal being subject to the confirmation of the Board. None of the Non-Executive Directors is on a service contract with the Company.

### Provision 6.4

#### ***Engagement of Remuneration Consultants***

The RC has access to advice from the internal human resource department and, if necessary, the RC may seek advice from external professionals in the field of executive compensation and related matters of which the expenses will be borne by the Company. No external consultant was engaged by the Company in FY2024.

## **LEVEL AND MIX OF REMUNERATION**

***Principle 7: The level and structure of remuneration of the Board and KMPs are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.***

### **Provision 7.1**

#### ***Remuneration of Executive Directors and KMP***

The Group's remuneration policy is to provide compensation packages at market rates which reward successful performance and to attract, retain and motivate Directors and KMP. It also motivates the Directors to provide good stewardship of the company and KMP to successfully manage the Company for the long term. The remuneration packages take into account the performance of the Group, the individual Directors and individual KMP.

The remuneration structure of the Executive Director and KMP comprises both fixed and variable components. The variable component is linked to the Group/Company's performance as well as the performance of the individual personnel. Such performance-related remuneration is designed to align with the interests of shareholders and other stakeholders and promote long-term success of the Group.

Having reviewed and considered the variable components in the remuneration packages of the Executive Director and KMP, the RC is of the view that the remuneration packages of the Executive Director and KMP, which include a fixed component and a variable component linked to the Company's performance, is aligned to the interest of shareholders and are not excessive. The variable portion is linked to individual performance, and is dependent on the performance of the Group, as well as the contribution of the individual to the Group's performance.

The annual reviews of the compensation are carried out by the RC to ensure that the remuneration of the Executive Director/CEO, and KMP commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The performance of the Executive Director/CEO (together with other KMP) is reviewed periodically by the RC and the Board.

#### ***Samko Timber Performance Share Plan***

Samko Timber Performance Share Plan (the "**Samko PSP**") was approved by the shareholders at the extraordinary general meeting ("**EGM**") of the Company held on 27 April 2018.

The Samko PSP is a performance incentive share plan which forms an integral part of the Group's incentive compensation program. The Samko PSP aims to promote higher performance goals, and recognise and reward the contributions made by the eligible CEO and/or an Executive Director. The Samko PSP contemplates the contingent award of fully-paid shares after certain pre-determined benchmarks have been met.

The Samko PSP is administered by the administration committee comprising members of the NC and RC of the Company ("**Administration Committee**") in its absolute discretion, with such powers and duties as are conferred on it by the Board. The Administration Committee determines and approves the allocation of the share awards, the date of grant and the price thereof under the Samko PSP. Details of the Samko PSP were set out in the Company's Circular dated 12 April 2018.

Details of the Samko PSP are disclosed in the Directors' Statements on pages 93 to 94 and in the notes to the financial statement on pages 167 to 169.

### ***Claw-back Provisions***

The Company does not use contractual provisions to allow the Group to reclaim incentive components of remuneration from the CEO and KMP in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The CEO owes a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the CEO in the event of such breach of fiduciary duties.

### Provision 7.2

### ***Remuneration of Non-Executive Directors***

For FY2024, the Board comprises of six (6) Non-Executive Directors. Directors' fees are set in accordance with a remuneration framework based on the level of responsibility and scope of work. The CEO does not receive any Directors' fee, whilst the Non-Executive Directors are paid Directors' fees in accordance with their level of contributions, taking into account factors such as efforts and time spent, as well as responsibilities and obligations of the Directors. The Independent Directors have not been over-compensated to the extent that their independence is compromised. Directors' fees are recommended by the Board for approval by the shareholders at the AGM of the Company. The Board has endorsed the remuneration framework.

For FY2024, the RC had met to review, determine, and recommend to the Board, the payment of Directors' fees for the financial year ending 31 December 2024, payable quarterly in arrears, which are subject to the shareholders' approval at the forthcoming AGM of the Company.



Provision 7.3***Comparative, Attractive, and Motivative Remuneration Package***

The RC also considered, in consultation with the CEO, amongst other things, their responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain and motivate Directors and KMP. The remuneration packages take into account the performance of the Group, the individual Directors and individual KMP.

The Company advocates a performance-based remuneration system for Executive Director and KMP that is flexible and responsive to the market, comprises primarily a basic salary component, an annual supplement equivalent to one (1) month basic salary during each Muslim Hari Raya month and a variable component which is inclusive of bonuses and other benefits based on the Group's performance and the individual's performance such as management skills, process skills, people skills and business planning skills. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

**DISCLOSURE ON REMUNERATION**

***Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.***

Provision 8.1***Remuneration Criteria***

The compensation packages for employees including the Executive Director/CEO and the KMP comprised a fixed component (base salary), a variable component (cash-based annual bonus) and benefits-in-kind, where applicable, taking into account amongst other factors, the individual's performance, the performance of the Group and industry practices.

An annual review of the compensation is carried out by the RC to ensure that the remuneration of the Executive Director/CEO and KMP commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The performance of the Executive Director/CEO (together with other KMP) is reviewed periodically by the RC and the Board. In structuring the compensation framework, the RC also takes into account the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks.

**Disclosure on Fees and Remuneration of Directors**

A breakdown of the exact amount and mix of the remuneration payable to each individual Director for FY2024 are set out below:

| Non-Executive Director                  | Total (\$\$) | Base/ fixed salary | Variable or performance related income/ bonuses | Directors' Fees <sup>(1)</sup> | Consultancy Fees | Awards granted pursuant to Samko PSP | Other benefits <sup>(2)</sup> |
|-----------------------------------------|--------------|--------------------|-------------------------------------------------|--------------------------------|------------------|--------------------------------------|-------------------------------|
| Riko Setyabudhy Handoko <sup>(3)</sup>  | 1,000,708    | 703,573            | -                                               | -                              | -                | -                                    | 297,135                       |
| Eka Dharmajanto Kasih <sup>(4)</sup>    | 35,714       | -                  | -                                               | 35,714                         | -                | -                                    | -                             |
| Michael Joseph Sampoerna <sup>(5)</sup> | 18,150       | -                  | -                                               | 18,150                         | -                | -                                    | -                             |
| Meriana Ang <sup>(6)</sup>              | 46,500       | -                  | -                                               | 46,500                         | -                | -                                    | -                             |
| Hadi Daryanto                           | 56,250       | -                  | -                                               | 56,250                         | -                | -                                    | -                             |
| Ito Sumardi                             | 201,884      | -                  | -                                               | 201,884                        | -                | -                                    | -                             |
| Timotius <sup>(6)</sup>                 | 37,500       | -                  | -                                               | 37,500                         | -                | -                                    | -                             |
| Ng Cher Yan <sup>(7)</sup>              | 23,250       | -                  | -                                               | 23,250                         | -                | -                                    | -                             |
| Sim Idrus Munandar <sup>(8)</sup>       | 18,750       | -                  | -                                               | 18,750                         | -                | -                                    | -                             |

(1) Directors' fees for FY2024 were approved by shareholders of the Company at the AGM held in respect of FY2023.

(2) Other benefits include employee allowance.

(3) Mr Riko Setyabudhy Handoko resigned as Executive Director and Chief Executive Officer of the Company with effect from 27 March 2025.

(4) Mr Eka Dharmajanto Kasih resigned as Non-Independent Non-Executive Chairman of the Company with effect from 27 March 2025.

(5) Mr Michael Joseph Sampoerna resigned as Non-Independent Director of the Company with effect from 27 March 2025.

(6) Ms Meriana Ang and Mr Timotius were appointed as Lead Independent Director and Independent Director respectively with effect from 15 May 2024.

(7) Mr Ng Cher Yan and Mr Sim Idrus Munandar retired as Lead Independent Director and Independent Director respectively with effect from 26 April 2024.

The aggregate remuneration paid to the Directors is set out on page 173 of this Annual Report.

**Disclosure on Remuneration of KMP**

A breakdown of the ranges of gross remuneration paid in FY2024 to the Group's KMP (who are not Directors or the CEO) in the Company and in the Group's subsidiaries, excluding any associated companies are set out below:

| Name of KMP                    | Salary <sup>(1)</sup><br>(%) | Allowances and<br>other benefits<br>(%) | Total<br>(%) |
|--------------------------------|------------------------------|-----------------------------------------|--------------|
| S\$250,000 to below S\$500,000 |                              |                                         |              |
| Edward Tombokan                | 81.6                         | 18.4                                    | 100          |
| Johanes Ibrahim Tjendana       | 84.9                         | 15.1                                    | 100          |
| Andrew Wardoyo                 | 83.8                         | 16.2                                    | 100          |
| Fredson Kotamena               | 83.3                         | 16.7                                    | 100          |
| Below S\$250,000               |                              |                                         |              |
| Marchelus Agha                 | 72.1                         | 27.9                                    | 100          |
| Faisal                         | 71.8                         | 28.2                                    | 100          |
| Hendry Susanto                 | 78                           | 22                                      | 100          |
| Arief Zakaria                  | 85.7                         | 14.3                                    | 100          |
| Alvin Puspowidjono             | 81.9                         | 18.1                                    | 100          |

**Note:**

(1) The salary and bonus amounts shown are inclusive of Singapore CPF contributions.

The RC will review the remuneration of the Directors and KMP from time to time.

The total remuneration paid to the top nine (9) KMP is set out on page 173 of this Annual Report.

All Directors and KMP are remunerated on an earned basis and there were no termination, retirement and post-employment benefits granted during FY2024.

### Provision 8.2

#### ***Disclosure on Remuneration of Employee related to Directors/CEO/Substantial Shareholders***

There were no employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during FY2024.

### Provision 8.3

#### ***Details of Employee Share Scheme***

No share awards under Samko PSP was granted in FY2024.

No remuneration or compensation was paid or is to be paid in the form of share options, since the Company does not currently have any plan to implement share option.

### **(III) ACCOUNTABILITY AND AUDIT**

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#### **RISK MANAGEMENT AND INTERNAL CONTROLS**

***Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.***

### Provision 9.1

#### ***Nature and Extent of Risks***

The Board is responsible for the governance of risk and sets the direction for the Group in the way risks are managed in the Group's businesses. The Board believes in the importance of maintaining a sound system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems to safeguard the interests of the shareholders and the Group's assets. To achieve this, internal reviews are constantly being undertaken to ensure that the system of internal controls maintained by the Group is sufficient to provide reasonable assurance that the Group's assets are safeguarded against loss from unauthorised use or disposition, transactions are properly authorised and proper financial records are being maintained.

**Board Risk Committee**

The Board had established a BRC to assist the Board to ensure that the Group maintains a robust and effective system of internal controls and to evaluate the adequacy of the Group's internal controls that address the Group's financial, operational, compliance and information technology controls, and risk management systems.

For FY2024, the BRC comprised the following five (5) members, three (3) of whom, including the BRC Chairman, are Non-Executive and Independent Directors:

|                         |          |
|-------------------------|----------|
| Timotius                | Chairman |
| Eka Dharmajanto Kasih   | Member   |
| Riko Setyabudhy Handoko | Member   |
| Ito Sumardi             | Member   |
| Hadi Daryanto           | Member   |

As at the date of this report, the BRC comprises the following three (3) members, all of whom, including the BRC Chairman, are Non-Executive and Independent Directors:

|                                   |          |
|-----------------------------------|----------|
| Meriana Ang <sup>(See note)</sup> | Chairman |
| Ito Sumardi                       | Member   |
| Hadi Daryanto                     | Member   |

**Note:** Ms Meriana Ang was re-designated as Chairman of the BRC with effect on and from 27 March 2025 in place of Mr Timotius who resigned as an Independent Director of the Company with effect from 27 March 2025.

The responsibilities and principal functions of the BRC, as set out in its Terms of Reference, include:

- (a) oversee and review the adequacy and effectiveness of the Company's risk management function;
- (b) overseeing Management in establishing the risk management framework of the Company;
- (c) regularly review the risk management framework; and
- (d) undertake and perform other responsibilities and reporting of the Company.

The BRC met three (3) times during FY2024 to review the enterprise risk management which focused on the operational, financial, compliance and information technology aspects of the Group. The Chairman of the BRC had reported the findings and recommendations to the Board during the Board meetings.

The BRC has reviewed the Group's financial controls and risk management policies and processes and based on its assessment and reports of the external auditors and internal auditors, the BRC is assured that adequate and effective internal controls are in place.

As for the operational and compliance controls, the Group has periodically reviewed these control areas through the various heads of department and has continuously made improvements with the assistance of the in-house internal audit team.

### Provision 9.2

#### ***Assurance from the CEO, Chief Financial Officer (“CFO”) and KMPs***

The Board and the AC has reviewed, with the assistance of the internal and external auditors, the adequacy and effectiveness of the Group’s internal controls, including financial, operational, compliance and information technology controls, and risk management systems annually. The assessment considered issues dealt with in reports reviewed by the Board during FY2024 together with any additional information necessary to ensure that the Board has considered all significant aspects of risks and internal controls for the Group for FY2024.

The Board has received written assurance from the CEO and CFO that, as at 31 December 2024, the Group’s financial records have been properly maintained and the financial statements give a true and fair view of the Group’s operations and finances.

The Board has also received written assurance from the CEO and the representative of KMPs that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place were adequate and effective as at 31 December 2024 to address the risks that the Group considers relevant and material to its business operations.

Based on the internal controls maintained by the Group, work performed by the internal audit team and the BRC during the financial year under review, as well as the statutory audit by the external auditors, and the reviews performed by Management, the Board, with the concurrence of the AC, is of the opinion that the system of internal controls in place by the Group, is adequate and effective to address all material aspects of the financial, operational, compliance and information technology controls, and the risk management systems, are adequate and effective to meet the needs of the Group for the type and volume of businesses conducted in the current business environment.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as the Group strives to achieve its’ business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

Information in relation to the Group’s risk management objectives and policies is disclosed in the notes to the financial statement on pages 114 to 191.

**AUDIT COMMITTEE**

***Principle 10: The Board has an Audit Committee which discharges its duties objectively.***

**Provision 10.1*****Roles and Duties of Audit Committee***

The Board established the AC with written Terms of Reference which clearly set out its authority and duties, and report to the Board directly.

The responsibilities and principal functions of the AC, as set out in its Terms of Reference, include:

- (a) review the financial reporting issues and judgements so as to ensure the integrity of financial statements, and of announcements on the Company's financial performance and recommend changes;
- (b) oversee and review the adequacy and effectiveness of the Company's risk management function;
- (c) overseeing Management in establishing the risk management framework of the Company;
- (d) review and report to the Board at least annually on the adequacy and effectiveness of the Company's risk management and internal controls;
- (e) review the adequacy, effectiveness, independence, scope and results of the Company's internal audit function;
- (f) review the scope and results of the external audit, and the independence and objectivity of the external auditors;
- (g) recommend to the Board the appointment, reappointment and removal of the external auditors, and its remuneration and terms of engagement;
- (h) ensure that the Company complies with the requisite laws and regulation;
- (i) ensure that the Company has programmes and policies in place to identify and prevent fraud;
- (j) oversee the establishment and operation of the whistleblowing process in the Company;
- (k) review all IPT and related party transactions; and
- (l) undertake such other functions and duties as may be required by the Board under the Code, statute or Listing Manual of the SGX-ST (where applicable).



Apart from the duties listed above, the AC will:

- (a) Commission and review the findings of internal investigations into any matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Company's operating results and/or financial position; and
- (b) Ensure that the appropriate follow-up actions are taken.

### ***External Audit Function***

The AC reviews the scope and results of the audit carried out by the external auditors, the cost effectiveness of the audit and the independence and objectivity of the external auditors. It always seeks to balance the maintenance of objectivity of the external auditors and their ability to provide value-for-money professional services.

BDO LLP was re-appointed as the external auditors at the last AGM held on 26 April 2024 until the conclusion of the forthcoming AGM of the Company. The aggregate amount of audit fees paid to BDO LLP in FY2024 was S\$115,000. There were no non-audit fees paid to BDO LLP in FY2024.

The AC recommends to the Board the appointment, re-appointment and removal of external auditors, and approves the remuneration and terms of engagement of the external auditors. The re-appointment of the external auditors is always subject to shareholders' approval at the AGM of the Company.

In reviewing the nomination of BDO LLP for re-appointment for the financial year ending 31 December 2025, the AC has considered the adequacy of the resources, experience of their audit engagement partner and competence of audit team assigned to the Group's audit, given the size and complexity of the Group. The AC has also taken into account the Audit Quality Indicators relating to BDO LLP's firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit. The Board also considered the audit team's ability to work in a cooperative manner with Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines.

BDO LLP has confirmed that they are a Public Accounting Firm registered with Accounting and Corporate Regulatory Authority and provided confirmation of their independence to the AC.

On the basis of the above, the AC and the Board are satisfied with the standard and quality of work performed by BDO LLP and that the appointment of external auditors is in compliance with the requirements of Rule 712 of the Listing Manual of the SGX-ST. Accordingly, the AC has recommended the re-appointment of BDO LLP as external auditors for the ensuing year be tabled for shareholders' approval at the forthcoming AGM of the Company.

In accordance with the requirements of Rule 715 of the Listing Manual of the SGX-ST, the AC and the Board, having reviewed the appointment of different auditors for the Company's subsidiaries, are satisfied that these appointments would not compromise the standard and effectiveness of the audit of the Group.

### ***Whistle Blowing Policy***

The Company has adopted a Whistle-Blowing Policy which provides well-defined and accessible channels in the Group through which employees and others may raise concerns about possible improprieties in matters of financial reporting or other matters which they become aware and to ensure that:

- (i) independent investigations are carried out in an appropriate and timely manner;
- (ii) appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and
- (iii) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balance and fair, while providing reassurance that employees and others will be protected from reprisals or victimisation for whistle-blowing in good faith and without malice.

The Group also extended the Whistle-Blowing Policy to members of the public as well by means of the Company's corporate website where employees of the Group and external parties may make a report to the Chairman of the AC via email to raise their potential concerns under the Whistle-Blowing Policy. The objective for such arrangements is to ensure independent investigation of matters raised and to allow appropriate actions to be taken. All such investigations are undertaken by an appointed manager, if appropriate, who reports directly to the Chairman of the AC.

The Group will treat all information received confidentially and protect the identity and the interest of all whistleblowers, and the whistleblower will not be subject to detrimental or unfair treatment. The Whistle-Blowing Policy and procedures are reviewed by the AC from time to time to ensure they remain relevant. The AC reports to the Board on such matters at the Board meetings. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action.

The AC did not receive any reports of whistle-blowing incidents during FY2024 and up to the date of this report.

### Provisions 10.2 and 10.3

#### ***Audit Committee Composition***

For FY2024, the AC comprised the following three (3) members, all of whom, including the AC Chairman, are Non-Executive and Independent Directors:

|               |          |
|---------------|----------|
| Meriana Ang   | Chairman |
| Hadi Daryanto | Member   |
| Timotius      | Member   |

As at the date of this report, the AC comprises the following three (3) members, all of whom, including the AC Chairman, are Non-Executive and Independent Directors:

|               |          |
|---------------|----------|
| Meriana Ang   | Chairman |
| Hadi Daryanto | Member   |
| Ito Sumardi   | Member   |

The Board is of the opinion that the AC members are appropriately qualified to discharge their responsibilities. Ms Meriana Ang and Mr Ito Sumardi, have accounting or related financial management background, while Mr Hadi Daryanto's expertise is in forestry plantation and forestry industry. All AC members have many years of experience in accounting and/or finance related expertise and experience.

As the Lead Independent Director and the AC Chairman, Ms Meriana Ang's scope of works also include leading the AC in its' role in reviewing IPT undertaken by the Group and being available to shareholders where they have concerns which have been raised through the normal channels of the Chairman or the CFO and Head of Finance and Accounting but have not been resolved or for which such contact is inappropriate.

The AC members take measures to keep abreast of changes of accounting standards and issues which have a direct impact on financial statements through attending training and seminars as well as receiving updates from the Group's external auditors.

None of the AC members is a former partner or Director of the Company's existing auditing firm or auditing corporation within a period of two (2) years commencing on the date of his ceasing to be partner of the auditing firm or a Director of the auditing corporation; and in any case, a person has any financial interest in the auditing firm or auditing corporation.

### Provision 10.4

#### ***Internal Audit Function***

The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard the shareholders' investments and the Group's assets. The AC has been assigned to oversee and ensure that such a system has been appropriately implemented and monitored.

The Company has an in-house internal audit team to review the effectiveness of the Group's internal controls, including the adequacy of the Group's internal financial, operational, compliance and information technology controls. Internal audit findings, recommendations and actions taken by Management on the recommendations were reported to the AC. The in-house internal audit team is independent and carries out its activities in accordance with the Standards for the Professional Practice of Internal Auditing.

The in-house internal audit team primary line of reporting is to the AC Chairman and the AC will continue on an annual basis:

1. To review the adequacy of the Group's internal controls;
2. To review the adequacy of the internal audit function, its activities and organizational structure to ensure that no unjustified restrictions or limitations are imposed;
3. To review and approve the annual internal audit plan to ensure that there is sufficient coverage of the Group's activities; and
4. To oversee the implementation of the internal audit plan and ensure that Management provides the necessary co-operation to enable the in-house internal audit team to perform its functions and duties. All improvements to controls recommended by the in-house internal audit team and accepted by the AC will be monitored for implementation.

The AC is satisfied that the in-house internal audit team or Head of Internal Audit is a qualified and experienced personnel. The in-house internal audit team comprises four (4) employees including the Head of Internal Audit who possess the relevant qualifications and experience. The internal audit function has unfettered access to all Company's documents, records, properties, including the AC.

The in-house internal audit team plans its internal audit schedules in consultation with, but independent of, Management. The audit plan is submitted to the AC for approval prior to the commencement of the internal audit work.

The AC reviews the activities of the in-house internal audit team on a regular basis, including overseeing and monitoring the implementation of the improvements required on internal control weaknesses identified. The AC reviews the adequacy and effectiveness of the internal audit functions on an annual basis and is satisfied with its adequacy and effectiveness.

#### ***Access Information by Internal Audit Function***

The AC is authorised by the Board to investigate any matters within its Terms of Reference. It has unrestricted access to information pertaining to the Group, to both internal and external auditors, and to all employees of the Group. Reasonable resources have been made available to the AC to enable it to discharge its duties properly.

### Provision 10.5

#### ***Meeting Auditors without the Management***

The AC met at least three (3) times to review the audit plan/report, the audit findings, the reports on IPT, the reports on internal audit activities for the year (including updates on the findings in relation thereto) and the announcements of the half year and full-year results before being approved by the Board for release to the SGX-ST.

The AC met with the external auditors and Head of Internal Audit, without the presence of the Company's Management at least once a year. The AC had reviewed the independence of the external auditors and is satisfied that the nature and extent of the non-audit services provided by the external auditors will not prejudice the objectivity and independence of the external auditors.

#### ***Audit Committee Activities***

In FY2024, the AC had, among others, carried out the following activities:

- (a) reviewed the quarterly and full year financial statements announcements of the Group, and recommended to the Board for approval and release to the SGX-ST via SGXNet;
- (b) reviewed the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems;
- (c) reviewed IPT of the Group;
- (d) reviewed and approved the annual audit plan of the external auditors;
- (e) reviewed and approved the internal audit plan of the internal auditors, having considered the scope of the internal audit procedures;
- (f) reviewed the effectiveness of the Group's internal audit function;
- (g) reviewed the audit findings of the internal auditors and Management's responses to those findings;
- (h) reviewed the independence of the external auditors;
- (i) reviewed the annual re-appointment of the external auditors and determined their remuneration, and made a recommendation for the Board's approval; and
- (j) met with the external auditors and Head of Internal Audit once without the presence of Management.

In the review of the financial statements, the AC has discussed with Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The significant matter impacting the financial statements was discussed with Management and the external auditors, and was reviewed by the AC, as further described in Page 98 to 100 of this Annual Report.

#### (IV) SHAREHOLDER RIGHTS AND ENGAGEMENT

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##### SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

**Principle 11:** *The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

##### **FY2023 AGM**

The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Ministerial Order**”) ceased on 1 July 2023. Pursuant to recent legislative amendments (with effect from 1 July 2023) to the Companies Act, as read with Listing Rule 730A of the Listing Rules and recent practice guidance amendment by the SGX-ST on the conduct of general meetings by issuers on and after 1 July 2023, listed companies are required to hold all their general meetings either at a physical place in Singapore, or at a physical place in Singapore and using virtual meeting technology. The AGM held in respect of FY2023 was held in a wholly physical format and there was no option for shareholders to participate virtually.

##### **FY2024 AGM**

The forthcoming AGM in respect of FY2024 (“**FY2024 AGM**”) will be held in a wholly physical format. There will be no option for shareholders to participate virtually. Shareholders will also be given the opportunity to submit written questions prior to the FY2024 AGM, and all substantial and relevant comments and queries will be responded to within a reasonable timeframe, prior to the FY2024 AGM, through publication on SGXNet and the Company's corporate website. Details of the meeting and voting procedures for the FY2024 AGM are set out in the Notice of AGM. Shareholders will continue to be able to proactively engage the Board and Management on the Group's business activities, financial performance and other business-related matters.

### Provision 11.1

#### ***Shareholders' Participation in General Meetings***

The Company is open to meetings with investors and analysts, and in conducting such meetings, the Company is mindful of the need to ensure timely, accurate, fair and transparent disclosure of information.

All general meetings are conducted physically and all registered shareholders attending such meetings are entitled to vote in accordance with established voting rules and procedures which are explained during the general meetings. Rules governing general meetings are also explained during the general meetings.

Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. Copies of the annual report, the circular and the notices of the AGM and/or EGM, where applicable, are sent to every shareholder of the Company. The notices of the general meetings are also published in a major local newspaper and announced via SGXNet and made available on the Company's corporate website at <https://www.sampoernakayoe.co.id>.

In order to provide ample time for the shareholders to review, the notice of AGM, together with the annual report, is distributed to all shareholders 14 days before the scheduled AGM date. Shareholders are encouraged to attend the general meetings to ensure a high level of participation and accountability.

The Company allows any shareholder (who is not a relevant intermediary), who is unable to attend the general meetings in person, to appoint not more than two (2) proxies to attend and vote in his or her place at the general meetings via proxy forms submitted in advance (i.e. not less than 72 hours before the time appointed for holding the general meeting). The proxy form is sent with the notice of general meetings to all shareholders.

On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "relevant intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirements. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and Central Provident Fund Board which purchases shares on behalf of the Central Provident Fund investors. A proxy need not be a member of the Company.

The Company strongly encourages shareholder participation during the AGMs and/or EGMs, if any. Shareholders are able to proactively engage the Board and Management on the Group's business activities, financial performance and other business-related matters. Shareholders are invited to put forth any questions they may have on the motions to be debated and decided upon.



Provision 11.2***Conduct of Resolutions and Voting***

In support of greater transparency of the voting process and to enhance shareholders' participation, the Company puts all resolutions proposed at the general meetings to vote by poll since 2016.

Each distinct issue requiring shareholders' approval is proposed as a separate resolution at the general meetings. In addition, shareholders' participation is encouraged at the general meetings to ensure a high level of accountability and to be informed of the Group's strategy and goals.

Shareholders who are present in person or represented by proxies will be entitled to one vote for each share held. A scrutineer is appointed to count and validate the votes cast at the general meetings. The total number of votes cast for and against each resolution and the respective percentage are announced and released to the SGX-ST via SGXNet.

Resolutions are passed through a process of voting by poll and shareholders are entitled to vote in accordance with established voting rules and procedures. Shareholders are informed of the voting procedures prior to the commencement of voting by poll. The poll results in favour and against for each resolution put forth are presented during the AGMs and/or EGMs.

Provision 11.3***Interaction with Shareholders***

At general meetings, shareholders are given the opportunity to raise questions to the Directors and Management relating to the Company's business or performance. Management, as well as the respective Chairmen of the Board, AC, NC, RC and BRC will be present to assist the Directors in addressing all comments or queries raised by shareholders at such general meetings. The external auditors will also be present at the AGM to address shareholders' queries on the conduct of the audit and the preparation and content of the auditor's report.

Provision 11.4***Absentia Voting***

Voting in absentia, which is currently not permitted, may only be possible following careful study to ensure that the integrity of information and authentication of the identity of shareholders through the web are not compromised, and legislative changes are effected to recognise remote voting.

The Company has decided, for the time being, not to implement voting in absentia through mail, electronic mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

### Provision 11.5

#### ***Minutes of General Meetings***

The proceeding of each of the general meetings will be properly recorded, including substantial or relevant comments or queries from Shareholders relating to the agenda of the general meetings and responses from the Board and Management. All minutes of the general meetings, which include comments and the questions raised by shareholders, together with the responses from the Board and Management, will be available on the Company's corporate website and SGXNet within one (1) month from the general meetings.

### Provision 11.6

#### ***Dividend Policy***

The Company does not have a formal dividend policy. Any future dividends that the Directors may recommend or declare in respect of any particular financial year or period will depend on the Group's earnings, financial position, results or operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate.

The Board has not declared or recommended dividends for FY2024, as the Directors are of the view that it can be better use the cash for working capital to support the business operation of the Group at this juncture.

### **ENGAGEMENT WITH SHAREHOLDERS**

***Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.***

### Provision 12.1

#### ***Communication with Shareholders***

The AGM is the principal forum for dialogue with shareholders. The Company recognises the value of feedback from shareholders. During the general meetings, shareholders are given ample time and opportunities to air their views and concerns. All the Directors will endeavour to attend the AGMs and EGMs, and shareholders will be given the chance to share their thoughts and ideas or ask questions relating to the resolutions to be passed or on other corporate and business issues.

The Company believes in regular, effective and fair communication with its shareholders and is committed to hearing shareholders' views and addressing their concerns where possible. The Company's officers promptly communicate with its shareholders and analysts whenever appropriate and attend to their queries or concerns. The Company's officers also manage the dissemination of corporate information to the media, public, institutional investors and public shareholders, and act as a liaison point for such entities and parties.

The Company believes in maintaining regular dialogue with shareholders and it encourages shareholders' participation at general meetings and analyst briefings which also act as a platform to solicit and understand the views of shareholders and to address shareholders' concerns.

#### Provisions 12.2 and 12.3

#### ***Investor Relations Practices***

The Company does not have an Investor Relations Policy in place. However, the Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Listing Manual of the SGX-ST and the Companies Act. There is no dedicated investor relations team in place as the Board was of the view that the current communication channels are sufficient and cost-effective.

The Company will assess the need to have such a policy as and when there is a substantial increase in such correspondence.

#### ***Disclosures of Information***

The Group is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes and challenges in the Group's business which could have a material impact on the share price or value.

The Board understands its responsibility and provides to the shareholders on a timely basis a balanced and understandable assessment of the Group's performance, position and prospects when presenting interim and other price sensitive public reports, and reports to regulators (if required). The Board also ensures full disclosure of material information to shareholders in compliance with statutory requirements and the Listing Rules, including the release of the Group's half-year and full year financial statements results announcements. Strong emphasis is placed on removing technical jargon and using simple language for clarity. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly as soon as practicable.

In line with the continuous disclosure obligations of the Company, under the Listing Manual of the SGX-ST and the Companies Act, the Board has established a policy to inform shareholders promptly of all major developments that may impact materially on the Company and/or the Group.

Communication to Shareholders is normally made through:

- (a) annual reports that are prepared and issued to all Shareholders;
- (b) annual and half year financial statements announcements containing a summary of the financial information and affairs of the Group for the period;
- (c) notices and explanatory memoranda for general meetings;
- (d) disclosures to the SGX-ST via SGXNet; and
- (e) press/media releases.

The Board recognises that it is accountable to shareholders for the Group's performance. The Board believes in transparency and strives towards timeliness in the dissemination of material information to the Company's shareholders and the public on a timely and non-selective basis. Pertinent information will be disclosed to shareholders through the SGXNet and press releases (if any) in a fair and equitable manner.

The Company does not practice selective disclosure of material information. The Group makes all necessary disclosures to the public via SGXNet. The Group values dialogue with its shareholders and believes in regular, effective and fair communication with its shareholders and is committed to hearing shareholders' views and addressing their concerns where possible.

All material information relating to the Group's and Company's performance and developments are disclosed in a timely, accurate and comprehensive manner through SGXNet. The Company's corporate website also contains salient information relating to the Group, including details about its current property development project as well as the contact details for stakeholders to contact the Group's corporate headquarters in Singapore. The Company does not practice selective disclosure of material information.

## (V) MANAGING STAKEHOLDERS RELATIONSHIPS

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### Engagement with Stakeholders

**Principle 13:** *The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.*

#### Provision 13.1

##### **Stakeholders' Engagement**

The Company and the Group has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long-term growth.

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations. Six (6) stakeholders' groups have been identified through an assessment of their significance to the business operations. They are namely, employees, investors/shareholders, customers and consumers, local communities, suppliers and service providers, and government and regulators.

#### Provision 13.2

##### **Strategy and Key Areas of Focus**

The Company and the Group have undertaken a process to determine the economic, environmental, social and governance issues, which important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually.

##### **Sustainability Reporting**

The Board believes that it is integral for the Group's success to have long-term growth and development in a sustainable manner and considers sustainability issues as part of its strategic formulation.

The Company upholds high standards of responsible, sustainable and socially aware business practices and is committed to incorporating sustainability in its corporate culture and improving the economic, environmental and social wellbeing of our stakeholders. The Company balances economic viability with sustainability and social progress for future generations. The Company is also cognisant of the challenges caused by the COVID-19 pandemic and remain committed to ensuring the safety of its guests and employees.

Detailed approach to the stakeholder engagement and materiality assessment (including commitments, key areas of focus and activities) will be disclosed in the 2024 Sustainability Report and will also be published on the Company's corporate website and made available on the SGXNet.

### Provision 13.3

#### ***Corporate Website***

To promote regular, effective and fair communication with Shareholders, the Company maintains a corporate website at <https://www.sampoernakayoe.co.id> through which Shareholders are able to access up-to-date information on the Group. The corporate website provides annual reports, financial information, stock information, profiles of the Group, and contact details of the investor relations of the Group.

#### **(VI) DEALINGS IN SECURITIES**

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The Company has adopted an internal Code of Best Practices on dealings in the securities to provide guidance to the officers, including Directors, of both the Company and its subsidiaries with regard to dealings in the Company's securities.

The Code of Best Practices prohibits the officers of the Group from dealing in the Company's securities during the period commencing one (1) month before the announcement of the Company's half-year and full-year financial results and ending on the date of announcement of such results on the SGX-ST, or when they are in possession of the unpublished price sensitive information of the Group. Notifications of the 'closed window' periods are sent to all officers concerned.

The Directors are also required to notify the Company of any dealings in the Company's securities within two (2) days of the transaction and to submit an annual confirmation of their compliance with the Code of Best Practices.

In addition, the Directors and Officers of the Group are discouraged from dealing in the Company's securities on short-term considerations.

#### **(VII) INTERESTED PERSON TRANSACTIONS**

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The Company has established internal control procedures to ensure the transactions with interested persons are properly reviewed and approved by the AC and conducted at arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

The aggregate value of all transactions with interested persons (as defined in Chapter 9 of the Listing Manual of the SGX-ST) for FY2024 are set out below:

| Name of interested person                             | Nature of relationship                                                                                                                                              | 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) | 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) |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                       |                                                                                                                                                                     | Rp'million                                                                                                                                                                                                              | Rp'million                                                                                                                                                                                             |
| PT Sampoerna Land<br>- <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) | 7,377                                                                                                                                                                                                                   | -                                                                                                                                                                                                      |
| PT Bank Sahabat Sampoerna<br>- <i>Finance expense</i> |                                                                                                                                                                     | 7,955                                                                                                                                                                                                                   | -                                                                                                                                                                                                      |

#### (VIII) MATERIAL CONTRACTS

Save as disclosed in the above IPT section, the service agreement between the CEO and Executive Director and the Company, and the financial statements, there were no other material contracts of the Company or any of its subsidiaries, involving the interests of the CEO, Directors or controlling shareholders subsisting at the end of FY2024 or have been entered into since the end of the previous financial year.



The Directors of Samko Timber Limited (the "Company") present their statement to the members together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2024 and the statement of financial position of the Company as at 31 December 2024.

## 1. Opinion of the Directors

In the opinion of the Board of Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2024, and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, and as disclosed in Note 3 to the financial statements, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

## 2. Directors

The Directors of the Company in office at the date of this statement are as follows:

|                                                    |                                                |
|----------------------------------------------------|------------------------------------------------|
| Meriana Ang Mei Ling<br>(Appointed on 15 May 2024) | Lead Independent and<br>Non-Executive Director |
| Hadi Daryanto                                      | Independent and Non-Executive Director         |
| Ito Sumardi                                        | Independent and Non-Executive Director         |

## 3. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

#### 4. Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as follows:

| Name of Directors                      | Direct interest                        |                                  | Deemed interest                        |                                  |
|----------------------------------------|----------------------------------------|----------------------------------|----------------------------------------|----------------------------------|
|                                        | At the beginning of the financial year | At the end of the financial year | At the beginning of the financial year | At the end of the financial year |
| <b>The Company</b>                     | Number of ordinary shares              |                                  |                                        |                                  |
| Riko Setyabudhy Handoko <sup>(*)</sup> | 38,056,990                             | 150,900,364                      | -                                      | -                                |

(\*) Mr Riko Setyabudhy Handoko resigned as Executive Director and Chief Executive Officer of the Company with effect from 27 March 2025.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of Directors' Shareholdings, the Directors' interest as at 21 January 2025 in the shares of the Company has not changed from those disclosed as at 31 December 2024.

#### 5. Share options

Samko Timber Performance Share Plan (the "Samko PSP") of the Company was approved by the shareholders of the Company at the Extraordinary General Meeting held on 27 April 2018. The duration of the Samko PSP is 10 years commencing from 27 April 2018.

The Samko PSP is a performance incentive share plan which forms an integral part of the Group's incentive compensation program. The Samko PSP aims to promote higher performance goals, and recognise and reward the contributions made by the eligible Chief Executive Officer and/or Executive Directors (including any Executive Director(s) to be appointed). Non-Executive Directors (including Independent Directors), and Controlling Shareholders and their Associates are not eligible to participate in the Samko PSP. The Samko PSP contemplates the contingent award of fully-paid shares after certain pre-determined benchmarks have been met. The Samko PSP is administered by the administration committee comprising members of the Nomination Committee and Remuneration Committee of the Company ("Administration Committee") in its absolute discretion, with such powers and duties as are conferred on it by the Board of Directors of the Company. The Administration Committee determines and approves the allocation of the share awards, the date of grant and the price thereof under the Samko PSP. Full details of the Samko PSP were set out in the Company's Circular dated 12 April 2018.

### 5. Share options (Continued)

On 29 August 2018, the Company had granted 21,653,058 of share awards ("2018 Awards") under the Samko PSP to Riko Setyabudhy Handoko, Executive Director and Chief Executive Officer of the Company (the "CEO") for his performance from 2016 to 2018, subject to certain vesting periods. On 13 September 2019, the Company had granted an additional 12,467,532 of share awards ("2019 Awards") under the Samko PSP to the CEO for his performance in 2019, subject to a vesting period.

Further details of the Samko PSP are disclosed in Note 29.1 to the financial statements.

#### Options granted

During the financial year, there were no share options granted to subscribe for unissued shares of the Company or any corporation in the Group.

#### Options exercised

During the financial year, there were no shares issued by virtue of the exercise of options to take up unissued shares of the Company or any corporation in the Group.

#### Options outstanding

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

### 6. Audit committee

The Audit Committee ("AC") comprises the following independent and non-executive directors at the date of this statement:

Meriana Ang Mei Ling (Chairman)  
Timotius<sup>(\*)</sup>  
Hadi Daryanto

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and the Code of Corporate Governance and assists the Board of Directors (the "Board") of the Company in the execution of its corporate governance responsibilities within its established terms of reference.

(\*) Mr Timotius resigned as independent and non-executive director of the Company and ceased as member of the Audit Committee with effect from 27 March 2025.

**6. Audit committee (Continued)**

The duties of the AC, amongst other things, include:

- (a) review the audit plans of the internal and external auditors of the Company, and review the internal auditors' evaluation of the adequacy of the Group's/Company's system of internal accounting controls and the assistance given by the Group's/Company's management to the external and internal auditors;
- (b) review the quarterly announcement of the financial statements and the annual financial statements together with the auditor's report on the annual consolidated financial statements of the Company and its subsidiaries before their submission to the Board;
- (c) review the effectiveness of the Group's/Company's material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditors;
- (d) meet with the external and internal auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- (e) review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;
- (f) review the cost effectiveness and the independence and objectivity of the external auditors, and the nature and extent of non-audit services provided by the external auditors;
- (g) recommend to the Board the external auditors to be nominated, approve the compensation of the external auditors and review the scope and results of audit;
- (h) report actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate;
- (i) review interested person transactions in accordance with the requirements of the SGX-ST Listing Manual; and
- (j) undertake such other functions and duties as may be agreed to by the AC and the Board.

**6. Audit committee (Continued)**

The AC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board that the auditors, BDO LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Further information regarding the AC are detailed in the Report on Corporate Governance set out in the Annual Report of the Company.

**7. Independent auditor**

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,

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**Meriana Ang Mei Ling**  
Lead Independent and Non-Executive  
Director

9 April 2025

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**Ito Sumardi**  
Independent and Non-Executive  
Director

# Independent Auditor's Report

To the Members of Samko Timber Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Samko Timber Limited (the "Company") and its subsidiaries (the "Group"), as set out on pages 104 to 191 which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended; and
- notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics applicable to Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Report on the Audit of the Financial Statements (Continued)

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| KEY AUDIT MATTER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | AUDIT RESPONSE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>1 Valuation of biological assets</b></p> <p>As at 31 December 2024, the Group recognised biological assets (included in assets of a disposal group classified as held for sale) in Indonesia amounted to approximately Rp660,085 million.</p> <p>Biological assets is measured at fair value in accordance with SFRS(I) 1-41 <i>Agriculture</i> as at year end. The Group engages an independent valuer to perform the valuation of the biological assets. The Group uses the discounted cash flow ("DCF") method to value its biological assets. The gain or loss arising from the biological assets is included in profit or loss for the period in which it arises.</p> <p>Determining the present value of expected net cash flows requires the use of assumptions and estimates relating to growth, harvesting plan, harvest yield per hectare, sale prices and costs, and also choosing a suitable discount rate in order to calculate the present value of those net cash flows.</p> <p>We have determined valuation of biological assets to be a key audit matter due to the level of judgement and estimation uncertainty involved in the valuation.</p> | <p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the independence, competency, objectivity and capabilities of the independent valuer engaged by the Group;</li> <li>• Engaged internal valuation expert to evaluate the methodology adopted by the independent professional valuer;</li> <li>• Discussed with the independent professional valuer and assessed the key inputs and data used by the Group in the valuation model, in particular the growth assumptions, harvesting plan, harvest yield per hectare, sale prices assumptions and costs and compared to the historical and market available data;</li> <li>• Assessed the appropriateness of the discount rate applied in the valuation; and</li> <li>• Assessed the adequacy of the relevant disclosures in the financial statements.</li> </ul> |

Refer to Notes 2.6 and 14 of the accompanying financial statements.



**Report on the Audit of the Financial Statements (Continued)**

| KEY AUDIT MATTER | AUDIT RESPONSE |
|------------------|----------------|
|------------------|----------------|

**2 Post-employment benefits liabilities**

The Group accounts for the defined pension plan benefits for its qualified employees as required by the Indonesian Labour Law. As at 31 December 2024, the Group's post-employment benefits liabilities (included in liabilities of a disposal group classified as held for sale) amounted to approximately Rp260,374 million.

The cost of the defined pension plan benefits and the present value of the pension obligation are calculated using an actuarial valuation. The Group engages an independent actuary to perform the valuation of post-employment benefits liabilities.

Determining the post-employment benefits liabilities valuation requires the use of assumptions and estimates relating to salary growth, mortality rate and discount rate which may differ from actual developments in the future.

We have determined the valuation of post-employment benefits liabilities to be a key audit matter due to the complexities involved in the valuation and its long-term nature.

Our audit procedures included, among others, the following:

- Evaluated the independence, competency, objectivity and capabilities of the independent actuary engaged by the Group;
- Discussed with the independent actuary and assessed the key inputs and data used by the Group in the valuation, in particular the salary growth and mortality rate;
- Assessed the appropriateness of the discount rate applied in the valuation;
- Assessed the appropriateness of the accounting of defined benefit plan in accordance with SFRS(I) 1-19 *Employee Benefits*; and
- Assessed the adequacy of the relevant disclosures in the financial statements.

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Refer to Notes 2.4 and 27 of the accompanying financial statements.

**Report on the Audit of the Financial Statements (Continued)**

| KEY AUDIT MATTER | AUDIT RESPONSE |
|------------------|----------------|
|------------------|----------------|

|                                                                                                                |  |
|----------------------------------------------------------------------------------------------------------------|--|
| <b>3 Discontinued operations and assets/(liabilities) of disposal group classified as assets held for sale</b> |  |
|----------------------------------------------------------------------------------------------------------------|--|

On 2 October 2024, the Company entered into a sale and purchase agreement with the Company's immediate holding company (the "S&P Agreement"), pursuant to which the Company shall dispose of the issued and paid-up shares ("Sale Shares") of PT Sumber Graha Sejahtera, Samko Trading Pte. Ltd. and Samko Forestry Pte. Ltd. (collectively the "Sale Subsidiaries").

The aggregate consideration of the Sale Shares shall be S\$5 million (approximately Rp59,900 million) (the "Consideration") in cash which shall be satisfied by the purchaser on completion date.

The management has assessed that the Sale Subsidiaries are available for immediate sale and can be sold to the purchaser in its current condition on 31 December 2024.

Accordingly, the assets and liabilities related to Sale Subsidiaries were classified as a disposal group held for sale in the consolidated statement of financial position, and the results from Sale Subsidiaries were presented separately in the consolidated statement of comprehensive income as discontinued operations.

On 3 February 2025, the Company obtained its shareholders' approval in the extraordinary general meeting for the proposed Sale Shares. The disposal of Sale Subsidiaries was completed on 27 March 2025 following the fulfilment of the conditions precedent set forth in the S&P Agreement and settlement of the Consideration.

We have determined the disposal group held for sale as a key audit matter due to the significant judgement involved in the assessment of the disposal under SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*. These include, amongst others, the date of classification and measurement as assets held for sale, the identification of the Sale Subsidiaries as a single disposal group and the presentation of its results as discontinued operations.

Our audit procedures included, among others, the following:

- Evaluated the management's assessment on whether the disposal meets the criteria for classification and presentation under SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* as at 31 December 2024;
- Evaluated the management's measurement of the disposal group held for sale at the lower of its carrying amount and fair value less cost of disposal;
- Reviewed the restatement of consolidated statement of comprehensive income for financial year ended 31 December 2023 pertaining to the discontinued operations; and
- Assessed the adequacy of the relevant disclosures in the financial statements.

Refer to Notes 2.9 and 10 of the accompanying financial statements.

## **Report on the Audit of the Financial Statements (Continued)**

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Directors for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

## **Report on the Audit of the Financial Statements (Continued)**

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

## **Report on the Audit of the Financial Statements (Continued)**

### **Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is William Ng Wee Liang.

**BDO LLP**  
Public Accountants and  
Chartered Accountants

Singapore  
9 April 2025

# Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2024

|                                                                           | Note | 2024<br>Rp'million | 2023<br>Rp'million |
|---------------------------------------------------------------------------|------|--------------------|--------------------|
|                                                                           |      |                    | (Restated)         |
| <b>Continuing operations</b>                                              |      |                    |                    |
| Revenue                                                                   | 4    | -                  | -                  |
| <b>Other item of income</b>                                               |      |                    |                    |
| Other income                                                              | 5    | -                  | 88                 |
| <b>Other items of expense</b>                                             |      |                    |                    |
| General and administrative expenses                                       |      | (13,779)           | (8,529)            |
| Finance expenses                                                          | 6    | (83)               | (75)               |
| Other expenses                                                            | 7    | (1,780)            | -                  |
| <b>Loss before income tax from continuing operations</b>                  | 8    | (15,642)           | (8,516)            |
| Income tax                                                                | 9    | -                  | -                  |
| <b>Loss for the financial year from continuing operations</b>             |      | (15,642)           | (8,516)            |
| Loss from discontinued operations, net of income tax                      | 10   | (1,087,648)        | (693,032)          |
| <b>Total loss for the financial year</b>                                  |      | (1,103,290)        | (701,548)          |
| <b>Other comprehensive income:</b>                                        |      |                    |                    |
| <i>Items that may not be reclassified subsequently to profit or loss:</i> |      |                    |                    |
| Net actuarial gain/(loss) on post-employment benefits                     | 27   | 10,059             | (48,174)           |
| <i>Items that may be reclassified subsequently to profit or loss:</i>     |      |                    |                    |
| Exchange differences on translation                                       |      | (23,116)           | 8,174              |
| <b>Other comprehensive income for the financial year, net of tax</b>      |      | (13,057)           | (40,000)           |
| <b>Total comprehensive income for the financial year</b>                  |      | (1,116,347)        | (741,548)          |
| <b>Total loss for the financial year attributable to:</b>                 |      |                    |                    |
| Owners of the Company                                                     |      | (1,033,939)        | (752,543)          |
| Non-controlling interests                                                 |      | (69,351)           | 50,995             |
|                                                                           |      | (1,103,290)        | (701,548)          |
| <b>Total comprehensive income for the financial year attributable to:</b> |      |                    |                    |
| Owners of the Company                                                     |      | (1,046,776)        | (792,577)          |
| Non-controlling interests                                                 |      | (69,571)           | 51,029             |
|                                                                           |      | (1,116,347)        | (741,548)          |

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income  
For the financial year ended 31 December 2024

|                                                                                                             | Note | 2024<br>Rp'million | 2023<br>Rp'million |
|-------------------------------------------------------------------------------------------------------------|------|--------------------|--------------------|
|                                                                                                             |      |                    | (Restated)         |
| <b>Loss per share from continuing operations<br/>attributable to owners of the Company</b><br>(in Rupiah)   |      |                    |                    |
| Basic and diluted                                                                                           | 11   | (2)                | (4)                |
| <b>Loss per share from discontinued operations<br/>attributable to owners of the Company</b><br>(in Rupiah) |      |                    |                    |
| Basic and diluted                                                                                           | 11   | (118)              | (309)              |

*The accompanying notes form an integral part of these financial statements.*

# Consolidated Statement of Financial Position

As at 31 December 2024

|                                                                |      | Group<br>2024<br>Rp'million | 2023<br>Rp'million |
|----------------------------------------------------------------|------|-----------------------------|--------------------|
|                                                                | Note |                             |                    |
| <b>Non-current assets</b>                                      |      |                             |                    |
| Property, plant and equipment                                  | 12   | 1                           | 1,920,479          |
| Biological assets                                              | 14   | -                           | 641,227            |
| Land use rights                                                | 15   | -                           | 63,383             |
| Deferred tax assets                                            | 16   | -                           | 94,435             |
| Other assets                                                   | 17   | 119                         | 31,450             |
| Right-of-use assets                                            | 30   | -                           | 26,514             |
|                                                                |      | 120                         | 2,777,488          |
| <b>Current assets</b>                                          |      |                             |                    |
| Other assets                                                   | 17   | -                           | 45,317             |
| Inventories                                                    | 18   | -                           | 912,241            |
| Trade and other receivables                                    | 19   | -                           | 209,933            |
| Prepaid expenses                                               | 20   | 9,552                       | 78,609             |
| Advances to suppliers                                          | 21   | -                           | 204,155            |
| Cash at banks and on hand                                      | 22   | 506                         | 30,372             |
|                                                                |      | 10,058                      | 1,480,627          |
| Assets of a disposal group classified<br>as held for sale      | 10   | 4,862,112                   | -                  |
|                                                                |      | 4,872,170                   | 1,480,627          |
| <b>Current liabilities</b>                                     |      |                             |                    |
| Trade and other payables                                       | 23   | 121                         | 994,038            |
| Other liabilities                                              | 24   | 6,403                       | 126,143            |
| Advances from customers                                        | 25   | 30                          | 52,139             |
| Loans and borrowings                                           | 26   | -                           | 1,895,165          |
| Lease liabilities                                              | 30   | -                           | 13,027             |
| Income tax payable                                             |      | -                           | 4,834              |
|                                                                |      | 6,554                       | 3,085,346          |
| Liabilities of a disposal group classified<br>as held for sale | 10   | 6,373,409                   | -                  |
|                                                                |      | 6,379,963                   | 3,085,346          |
| <b>Net current liabilities</b>                                 |      | (1,507,793)                 | (1,604,719)        |
| <b>Non-current liabilities</b>                                 |      |                             |                    |
| Deferred tax liabilities                                       | 16   | -                           | 98,494             |
| Advance from customers                                         | 25   | -                           | 260,393            |
| Loans and borrowings                                           | 26   | -                           | 1,176,693          |
| Post-employment benefits                                       | 27   | -                           | 239,517            |
| Lease liabilities                                              | 30   | -                           | 8,734              |
|                                                                |      | -                           | 1,783,831          |
| <b>Net liabilities</b>                                         |      | (1,507,673)                 | (611,062)          |

*The accompanying notes form an integral part of these financial statements.*



|                                                     |      | Group       |             |
|-----------------------------------------------------|------|-------------|-------------|
|                                                     |      | 2024        | 2023        |
|                                                     | Note | Rp'million  | Rp'million  |
| <b>Equity attributable to owners of the Company</b> |      |             |             |
| Share capital                                       | 28   | 765,449     | 545,713     |
| Accumulated losses                                  |      | (2,862,266) | (1,838,606) |
| Other reserves                                      | 29.1 | 289,023     | 312,139     |
|                                                     |      | (1,807,794) | (980,754)   |
| Non-controlling interests                           | 29.2 | 300,121     | 369,692     |
| <b>Total deficit</b>                                |      | (1,507,673) | (611,062)   |

*The accompanying notes form an integral part of these financial statements.*

# Statement of Financial Position

As at 31 December 2024

|                                                     |      | Company    |            |
|-----------------------------------------------------|------|------------|------------|
|                                                     |      | 2024       | 2023       |
|                                                     | Note | Rp'million | Rp'million |
| <b>Non-current assets</b>                           |      |            |            |
| Property, plant and equipment                       | 12   | 1          | 1          |
| Investments in subsidiaries                         | 13   | -          | 1,012,091  |
| Other non-current assets                            | 17   | 119        | 114        |
|                                                     |      | 120        | 1,012,206  |
| <b>Current assets</b>                               |      |            |            |
| Trade and other receivables                         | 19   | 119        | 5,900      |
| Prepaid expenses                                    | 20   | 9,544      | 491        |
| Advances to suppliers                               | 21   | -          | 227        |
| Cash at banks and on hand                           | 22   | 309        | 215        |
|                                                     |      | 9,972      | 6,833      |
| Non-current asset classified as held for sale       | 10   | 50,429     | -          |
|                                                     |      | 60,401     | 6,833      |
| <b>Current liabilities</b>                          |      |            |            |
| Trade and other payables                            | 23   | 3,200      | 191,422    |
| Other liabilities                                   | 24   | 6,317      | 2,633      |
| Advances from customers                             | 25   | 30         | 29         |
|                                                     |      | 9,547      | 194,084    |
| <b>Net current assets/(liabilities)</b>             |      | 50,854     | (187,251)  |
| <b>Non-current liabilities</b>                      |      |            |            |
| Other liabilities                                   | 24   | 2,974      | 284,812    |
|                                                     |      | 2,974      | 284,812    |
| <b>Net assets</b>                                   |      | 48,000     | 540,143    |
| <b>Equity attributable to owners of the Company</b> |      |            |            |
| Share capital                                       | 28   | 765,449    | 545,713    |
| (Accumulated losses)/retained earnings              |      | (700,197)  | 5,424      |
| Other reserves                                      | 29.1 | (17,252)   | (10,994)   |
| <b>Total equity</b>                                 |      | 48,000     | 540,143    |

*The accompanying notes form an integral part of these financial statements.*

## Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2024

|                                                                | Attributable to owners of the Company |                                  |                                     |                                     |                                                                        |                                                    |                                                                   |                                         |                             |
|----------------------------------------------------------------|---------------------------------------|----------------------------------|-------------------------------------|-------------------------------------|------------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------|-----------------------------|
|                                                                | Share capital<br>Rp'million           | Accumulated losses<br>Rp'million | Other reserves, total<br>Rp'million | Restructuring reserve<br>Rp'million | Premium paid on acquisition of non-controlling interests<br>Rp'million | Foreign currency translation reserve<br>Rp'million | Equity attributable to owners of the Company, total<br>Rp'million | Non-controlling interests<br>Rp'million | Total deficit<br>Rp'million |
| Group                                                          |                                       |                                  |                                     |                                     |                                                                        |                                                    |                                                                   |                                         |                             |
| At 1 January 2024                                              | 545,713                               | (1,838,606)                      | 312,139                             | 309,050                             | (3,037)                                                                | 6,126                                              | (980,754)                                                         | 369,692                                 | (611,062)                   |
| Total loss for the financial year                              | -                                     | (1,033,939)                      | -                                   | -                                   | -                                                                      | -                                                  | (1,033,939)                                                       | (69,351)                                | (1,103,290)                 |
| Other comprehensive income for the financial year, net of tax: |                                       |                                  |                                     |                                     |                                                                        |                                                    |                                                                   |                                         |                             |
| Net actuarial loss on post-employment benefits                 | -                                     | 10,279                           | -                                   | -                                   | -                                                                      | -                                                  | 10,279                                                            | (220)                                   | 10,059                      |
| Exchange differences on translation                            | -                                     | -                                | (23,116)                            | -                                   | -                                                                      | (23,116)                                           | (23,116)                                                          | -                                       | (23,116)                    |
| Other comprehensive income for the financial year, net of tax  | -                                     | 10,279                           | (23,116)                            | -                                   | -                                                                      | (23,116)                                           | (12,837)                                                          | (220)                                   | (13,057)                    |
| Total comprehensive income for the financial year              | -                                     | (1,023,660)                      | (23,116)                            | -                                   | -                                                                      | (23,116)                                           | (1,046,776)                                                       | (69,571)                                | (1,116,347)                 |
| Contribution by and distribution to owners:                    |                                       |                                  |                                     |                                     |                                                                        |                                                    |                                                                   |                                         |                             |
| Issuance of new shares (Note 28)                               | 219,736                               | -                                | -                                   | -                                   | -                                                                      | -                                                  | 219,736                                                           | -                                       | 219,736                     |
| At 31 December 2024                                            | 765,449                               | (2,862,266)                      | 289,023                             | 309,050                             | (3,037)                                                                | (16,990)                                           | (1,807,794)                                                       | 300,121                                 | (1,507,673)                 |

*The accompanying notes form an integral part of these financial statements.*

Consolidated Statement of Changes in Equity  
For the financial year ended 31 December 2024

|                                                                | Attributable to owners of the Company |                                  |                                     |                                     |                                                                        |                                                    |                                                                   |                                         |                             |
|----------------------------------------------------------------|---------------------------------------|----------------------------------|-------------------------------------|-------------------------------------|------------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------|-----------------------------|
|                                                                | Share capital<br>Rp'million           | Accumulated losses<br>Rp'million | Other reserves, total<br>Rp'million | Restructuring reserve<br>Rp'million | Premium paid on acquisition of non-controlling interests<br>Rp'million | Foreign currency translation reserve<br>Rp'million | Equity attributable to owners of the Company, total<br>Rp'million | Non-controlling interests<br>Rp'million | Total deficit<br>Rp'million |
| <b>Group</b>                                                   |                                       |                                  |                                     |                                     |                                                                        |                                                    |                                                                   |                                         |                             |
| <b>At 1 January 2023</b>                                       | 545,713                               | (1,037,855)                      | 303,965                             | 309,050                             | (3,037)                                                                | (2,048)                                            | (188,177)                                                         | 318,663                                 | 130,486                     |
| Total (loss)/profit for the financial year                     | -                                     | (752,543)                        | -                                   | -                                   | -                                                                      | -                                                  | (752,543)                                                         | 50,995                                  | (701,548)                   |
| Other comprehensive income for the financial year, net of tax: |                                       |                                  |                                     |                                     |                                                                        |                                                    |                                                                   |                                         |                             |
| Net actuarial loss on post-employment benefits                 | -                                     | (48,208)                         | -                                   | -                                   | -                                                                      | -                                                  | (48,208)                                                          | 34                                      | (48,174)                    |
| Exchange differences on translation                            | -                                     | -                                | 8,174                               | -                                   | -                                                                      | 8,174                                              | 8,174                                                             | -                                       | 8,174                       |
| Other comprehensive income for the financial year, net of tax  | -                                     | (48,208)                         | 8,174                               | -                                   | -                                                                      | 8,174                                              | (40,034)                                                          | 34                                      | (40,000)                    |
| Total comprehensive income for the financial year              | -                                     | (800,751)                        | 8,174                               | -                                   | -                                                                      | 8,174                                              | (792,577)                                                         | 51,029                                  | (741,548)                   |
| <b>At 31 December 2023</b>                                     | 545,713                               | (1,838,606)                      | 312,139                             | 309,050                             | (3,037)                                                                | 6,126                                              | (980,754)                                                         | 369,692                                 | (611,062)                   |

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Cash Flows

For the financial year ended 31 December 2024

|                                                                         | Group<br>2024<br>Rp'million | 2023<br>Rp'million |
|-------------------------------------------------------------------------|-----------------------------|--------------------|
|                                                                         |                             | (Restated)         |
| <b>Cash from operating activities</b>                                   |                             |                    |
| Loss before income tax from continuing operations                       | (15,642)                    | (8,516)            |
| Loss before income tax from discontinued operations<br>(Note 10)        | (1,056,639)                 | (657,881)          |
| Loss before income tax, total                                           | (1,072,281)                 | (666,397)          |
| Adjustments for:                                                        |                             |                    |
| Depreciation of property, plant and equipment                           | 76,775                      | 74,386             |
| Depreciation of right-of-use assets                                     | 16,050                      | 11,452             |
| Amortisation of land use rights                                         | 5,317                       | 5,319              |
| Net gain on disposal of property, plant and<br>equipment                | (53,818)                    | (1,959)            |
| Allowance for impairment loss of financial<br>assets, net               | 29,693                      | 2,578              |
| Net gain on change in fair value of biological assets                   | (18,800)                    | (139,327)          |
| Inventories written down to net realisable value                        | 27,359                      | -                  |
| Inventories written off                                                 | -                           | 1,637              |
| Post-employment benefits expense                                        | 40,504                      | 37,090             |
| Interest income                                                         | (188)                       | (300)              |
| Allowance for advances to suppliers                                     | -                           | 583                |
| Interest expense on loans and borrowings                                | 207,455                     | 188,856            |
| Interest expense on lease liabilities                                   | 3,377                       | 1,307              |
| Net foreign exchange difference                                         | 83,950                      | (20,339)           |
| <b>Operating cash flow before changes in<br/>working capital</b>        | (654,607)                   | (505,114)          |
| Changes in working capital                                              |                             |                    |
| Inventories                                                             | (121,029)                   | 166,005            |
| Trade and other receivables                                             | 23,734                      | 136,723            |
| Prepaid expenses                                                        | (29,547)                    | 16,330             |
| Advances to suppliers                                                   | (24,069)                    | 96,279             |
| Other non-current assets                                                | 51,683                      | (41,709)           |
| Trade and other payables                                                | (13,194)                    | 226,774            |
| Other liabilities                                                       | 60,484                      | 24,948             |
| Advances from customers                                                 | 45,295                      | 279,052            |
| <b>Cash flows (used in)/generated from operations</b>                   | (661,250)                   | 399,288            |
| Income tax refunded/(paid)                                              | 6,617                       | (6,515)            |
| Post-employment benefits paid                                           | (65,712)                    | (47,614)           |
| <b>Net cash flows (used in)/generated from<br/>operating activities</b> | (720,345)                   | 345,159            |

The accompanying notes form an integral part of these financial statements

Consolidated Statement of Cash Flows  
For the financial year ended 31 December 2024

|                                                                                                              | Group<br>2024<br>Rp'million | 2023<br>Rp'million |
|--------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------|
|                                                                                                              |                             | (Restated)         |
| <b>Cash flows from investing activities</b>                                                                  |                             |                    |
| Additions of property, plant and equipment<br>(Note A)                                                       | (557,440)                   | (833,916)          |
| Interest paid capitalised in property, plant and<br>equipment                                                | (90,079)                    | (53,308)           |
| Additions of biological assets                                                                               | (3,727)                     | (8,165)            |
| Proceeds from disposal of property, plant and<br>equipment                                                   | 76,411                      | 2,942              |
| Interest received                                                                                            | 187                         | 300                |
| <b>Net cash flows used in investing activities</b>                                                           | <b>(574,648)</b>            | <b>(892,147)</b>   |
| <b>Cash flows from financing activities</b>                                                                  |                             |                    |
| Proceeds from loans and borrowings                                                                           | 6,887,000                   | 6,578,324          |
| Repayments of loans and borrowings                                                                           | (6,597,155)                 | (5,857,255)        |
| Payment of lease liabilities – principal portion                                                             | (18,371)                    | (10,762)           |
| Interest paid for loans and borrowings                                                                       | (203,856)                   | (158,170)          |
| Interest paid for lease liabilities                                                                          | (3,377)                     | (1,307)            |
| Decrease in restricted deposits                                                                              | -                           | 25                 |
| Proceeds from issuance of new shares                                                                         | 219,736                     | -                  |
| Loan from related parties and a third party                                                                  | 1,043,923                   | -                  |
| <b>Net cash flows generated from financing activities</b>                                                    | <b>1,327,900</b>            | <b>550,855</b>     |
| <b>Net change in cash and cash equivalents</b>                                                               | <b>32,907</b>               | <b>3,867</b>       |
| Cash and cash equivalents at the beginning of year                                                           | 30,372                      | 26,882             |
| Effect of exchange rate changes on cash and<br>cash equivalents                                              | 924                         | (377)              |
| <b>Cash and cash equivalents at the end of the<br/>financial year</b>                                        | <b>64,203</b>               | <b>30,372</b>      |
| Cash at banks and on hand included in assets of<br>a disposal group classified as held for sale<br>(Note 10) | 63,697                      | -                  |
| Cash at banks and on hand (Note 22)                                                                          | 506                         | 30,372             |
| <b>Cash and cash equivalents at the end of the<br/>financial year</b>                                        | <b>64,203</b>               | <b>30,372</b>      |

*The accompanying notes form an integral part of these financial statements*

Note A:

For the purpose of the consolidated statement of cash flows, the movements in the additions of PPE comprised the following:

|                                                                                   | 2024<br>Rp'million | 2023<br>Rp'million |
|-----------------------------------------------------------------------------------|--------------------|--------------------|
| Additions of property, plant and equipment (Note 12)                              | 556,257            | 979,828            |
| Net increase/(decrease) in advances for purchase of property, plant and equipment | 1,183              | (145,912)          |
| Cash payment per the consolidated statement of cash flows                         | 557,440            | 833,916            |

*The accompanying notes form an integral part of these financial statements*

# Notes to the Financial Statements

For the financial year ended 31 December 2024

These notes form an integral part of and should be read in conjunction with the financial statements.

## 1. General 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 address of the Company’s registered office and principal place of business is 7500A Beach Road, #08-305 The Plaza, Singapore 199591.

The immediate company is Sampoerna Forestry Limited, a company incorporated in the British Virgin Islands. The ultimate holding company is Twinwood Operations Limited, a company incorporated in the British Virgin Islands. The ultimate controlling party is Mr Putera Sampoerna.

The principal activities of the Company are investment holding and general wholesale trade. The principal activities of the subsidiaries are set out in Note 13. Certain subsidiaries had met the criteria to be classified as held for sale at 31 December 2024 which are set out in Note 10.

The financial statements for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 9 April 2025.

## 2. Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) under the historical cost convention, except as disclosed in the accounting policies below. Where an accounting policy information is not disclosed in the financial statements, it is considered as not material and mainly standardised accounting requirements. All accounting policies have been consistently applied to the current financial year and comparative period, unless otherwise stated.

The individual financial statements of each entity within the Group are measured and presented in the currency of primary economic environment in which the entity operates (its functional currency).



## 2. Basis of preparation (Continued)

The Company's functional currency is United States Dollar ("US\$"), which reflects the economic substance of the underlying events and circumstances of the Company. For the purposes of the consolidated financial statements, the results and financial position of each entity in the Group are expressed in Indonesia Rupiah ("Rp"), which is the presentation currency for the consolidated financial statements. All values are rounded to the nearest million (Rp'million), unless otherwise stated.

The preparation of financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below and detailed disclosures are included in the respective notes to the financial statements.

Critical judgements applied:

Discontinued operations and disposal group classified as assets held for sale (Note 10)

Significant accounting estimates and assumptions used:

- Valuation of biological assets (Note 14)
- Post-employment benefits liabilities (Note 27)

### Changes in accounting policies

#### *New standards, amendments and interpretations effective from 1 January 2024*

On 1 January 2024, the Group adopted the new or amended SFRS(I) and interpretations to SFRS(I) that are mandatory for application for the financial year. The adoption of these standards did not result in significant changes to the Group's accounting policies and had no material impact to the Group's financial statements.

**2. Basis of preparation (Continued)**Changes in accounting policies (Continued)*New standards, amendments and interpretations issued but not yet effective*

At the date of authorisation of these financial statements, the following are the new standards, amendments to standards, and interpretations that are not yet effective, and have not been adopted early in these financial statements:

|                                                |                                                                                               | Effective date<br>(annual periods<br>beginning on or<br>after) |
|------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| SFRS(I) 1-21,<br>SFRS(I) 1<br>(Amendments)     | : Lack of Exchangeability                                                                     | 1 January 2025                                                 |
| SFRS(I) 9, SFRS(I) 7<br>(Amendments)           | : Amendments to the Classification<br>and Measurement of Financial<br>Instruments             | 1 January 2026                                                 |
| SFRS(I) 9, SFRS(I) 7<br>(Amendments)           | : Contracts Referencing<br>Nature-dependent Electricity                                       | 1 January 2026                                                 |
| Various                                        | : Annual Improvements to<br>SFRS(I)s – Volume 11                                              | 1 January 2026                                                 |
| SFRS(I) 18                                     | : Presentation and Disclosure in<br>Financial Statements                                      | 1 January 2027                                                 |
| SFRS(I) 19                                     | : Subsidiaries without Public<br>Accountability: Disclosures                                  | 1 January 2027                                                 |
| SFRS(I) 10 and<br>SFRS(I) 1-28<br>(Amendments) | : Sale or Contribution of Assets<br>between an Investor and its<br>Associate or Joint Venture | To be determined                                               |

Consequential amendments were also made to various standards as a result of these new or revised standards.

Management anticipates that the adoption of the above SFRS(I)s in future periods, if applicable, will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption with an exception for adoption of SFRS(I) 18 *Presentation and Disclosure in Financial Statements*.

The SFRS(I) 18 replaces SFRS(I)1-1 *Presentation of Financial Statements* and provides guidance on presentation and disclosure in financial statements, focus on the statement of profit or loss.

## 2. Basis of preparation (Continued)

### Changes in accounting policies (Continued)

*New standards, amendments and interpretations issued but not yet effective (Continued)*

SFRS(I) 18 introduces:

- New structure on statement of profit or loss with defined subtotals;
- Disclosure related to management-defined performance measures (MPMs), which are measures of financial performance based on total or sub-total required by accounting standards with adjustments made (e.g. "adjusted profit or loss"). A reconciliation of MPMs to the nearest total or subtotal calculated in accordance with accounting standards; and
- Enhanced principles on aggregation and disaggregation of financial information which apply to primary financial statements and notes in general.

SFRS(I) 18 will take effect on 1 January 2027 and management anticipates that the new requirements will change the current presentation and disclosure in the financial statements. An impact assessment regarding the adoption of SFRS(I) 18 is still underway and has not yet been completed.

### Disclosure of material accounting policy information

#### **2.1 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from its involvement with the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control over the investee and cease from consolidation when the control is lost. Control is reassessed whenever the facts and circumstances indicate that there may be a change in the elements of control.

## 2. Basis of preparation (Continued)

### Disclosure of material accounting policy information (Continued)

#### 2.1 Basis of consolidation (Continued)

All intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides an impairment indicator of the transferred asset.

The financial statements of the subsidiaries are prepared for the same financial year as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

Non-controlling interests in subsidiaries relate to the equity in subsidiaries which is not attributable directly or indirectly to the owners of the parent. They are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position.

Non-controlling interests in the acquiree that are a present ownership interest and entitle its holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

In the separate financial statements of the Company, investments in subsidiaries are carried at cost, less any accumulated impairment loss that has been recognised in profit or loss.

## 2. Basis of preparation (Continued)

### Disclosure of material accounting policy information (Continued)

#### 2.2 Foreign currency transactions and translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currency") are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are re-translated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlements of monetary items and on re-translation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Rupiah ("Rp") using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), are taken to the foreign currency translation reserve.

## 2. Basis of preparation (Continued)

### Disclosure of material accounting policy information (Continued)

#### 2.3 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good to the customer, which is when the customer obtains control of the good.

The Group's sales of goods comprise mainly sales of plywood, logs, sawn timber, wood pellet and related products. Revenue from the sales of these products is recognised at a point in time when the products are delivered to customers.

#### 2.4 Employee benefits

##### Defined pension plan benefits

The Group operates a defined pension plan for severance and service benefits, which is required under the labour laws in Indonesia and is unfunded. The cost of providing the benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, is recognised immediately on the statement of financial position with a corresponding debit or credit through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent period.

Past service costs are recognised in profit or loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that the Group recognises restructuring-related costs

The Group recognises service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements in the net defined benefits obligation in profit or loss.

**2. Basis of preparation (Continued)**Disclosure of material accounting policy information (Continued)**2.5 Property, plant and equipment**Measurement

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation

Depreciation is recognised so as to write off the cost of the assets less their residual values over their useful lives, using the straight-line method.

The following useful lives are used in the calculation of depreciation:

|                                   |               |
|-----------------------------------|---------------|
| Buildings and improvements        | 20 years      |
| Machinery and heavy equipment     | 8 to 20 years |
| Electrical installations          | 5 to 15 years |
| Vehicles                          | 4 to 8 years  |
| Furniture, fixtures and equipment | 4 to 10 years |

Assets in the course of construction are carried at cost less any recognised impairment losses. Cost includes, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The effects of any revision are recognised in profit or loss when the changes arise.

## 2. Basis of preparation (Continued)

### Disclosure of material accounting policy information (Continued)

#### 2.5 Property, plant and equipment (Continued)

##### Subsequent expenditure

Subsequent expenditure related to property, plant and equipment that has been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

##### Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### 2.6 Biological assets

Biological assets comprise standing trees, including biomass, in a plantation forest, separate from the land on which these assets are located.

The plantation forests are recognised and measured at fair value less estimated point-of-sale costs at harvest. The valuation of the biological assets is calculated by the independent valuer based on the discounted cash flow model whereby the fair value is calculated using cash flows from continuous operations, assuming sustainable forest management plans, taking into account the growth potential from their industrial forest plantations. The yearly harvest made from the forecasted tree growth is multiplied by actual wood pines and the cost of fertiliser, before the deduction of harvesting. The fair value is measured as the present value of the harvest from one growth cycle based on the productive forestland.



## 2. Basis of preparation (Continued)

### Disclosure of material accounting policy information (Continued)

#### 2.7 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, management estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

#### 2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost incurred in bringing the inventories to their present location and condition are accounted for using the average method for finished goods, work in progress and raw materials, indirect materials and spare parts.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale.

#### 2.9 Discontinued operations and assets/(liabilities) of disposal group classified as assets held for sale

The Group classifies disposal groups held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Disposal group classified as held for sale is measured at the lower of their carrying amount and fair value less cost to sell except for biological assets, trade receivables, deferred tax assets and post-employment benefits liabilities. Cost to sell is the incremental cost directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

## 2. Basis of preparation (Continued)

### Disclosure of material accounting policy information (Continued)

#### **2.9 Discontinued operations and assets/(liabilities) of disposal group classified as assets held for sale (Continued)**

Assets and liabilities classified as held for sale are presented separately as current items in the statement of the financial position.

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- a) represents a separate major line of business or geographical area of operation
- b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operation or
- c) is a subsidiary acquired exclusively with a view to resale.

## 3. Going concern

The Group incurred a net loss of Rp1,103,290 million and net cash flows used in operating activities of Rp720,345 million for the financial year ended 31 December 2024 and, as of that date, the Group's current liabilities exceeded its current assets by Rp1,507,793 million. The Group also has a deficit in equity attributable to owners of the Company amounted to Rp1,807,794 million as at 31 December 2024.

The management is of the view that it is appropriate for the financial statements to be prepared on a going concern basis which contemplates the realisation of assets and liabilities in the ordinary course of business and there are no material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. In assessing whether the Group can meet its debt obligations for the ensuing fifteen months, the management had prepared cash flow forecasts which was approved by the Board. The cash flows were derived from the financial budget for the financial period ending 31 March 2026 where it indicates that the Group has sufficient cash and cash equivalents to support the Group's operations and its debts as and when they fall due.

## 4. Revenue from contracts with customers

The Group does not have revenue from continuing operations as the Group's major operating subsidiaries have been classified as discontinued operations (Note 10).

**5. Other income**

|        | Group      |            |
|--------|------------|------------|
|        | 2024       | 2023       |
|        | Rp'million | Rp'million |
|        |            | (Restated) |
| Others | -          | 88         |

**6. Finance expenses**

|              | Group      |            |
|--------------|------------|------------|
|              | 2024       | 2023       |
|              | Rp'million | Rp'million |
|              |            | (Restated) |
| Bank charges | 83         | 75         |

**7. Other expenses**

|                             | Group      |            |
|-----------------------------|------------|------------|
|                             | 2024       | 2023       |
|                             | Rp'million | Rp'million |
|                             |            | (Restated) |
| Net foreign exchange losses | 1,780      | -          |

**8. Loss before income tax from continuing operations**

The following items have been included in arriving at loss before income tax:

|                                               | Group      |            |
|-----------------------------------------------|------------|------------|
|                                               | 2024       | 2023       |
|                                               | Rp'million | Rp'million |
|                                               |            | (Restated) |
| Audit fees:                                   |            |            |
| Auditor of the Company                        | 1,378      | 1,273      |
| Professional fees                             | 7,603      | 1,455      |
| Salaries and employee benefits                | 4,326      | 4,531      |
| Directors' fees                               | 3,471      | 3,353      |
| Salaries & bonuses                            | 730        | 999        |
| Defined contribution plan benefits            | 125        | 179        |
| Depreciation of property, plant and equipment | 1          | 3          |

## 9. Income tax

The Group has no income tax expense as it does not have taxable profits from continuing operations as the Group's major operating subsidiaries have been classified as discontinued operations (Note 10).

|                                                       | Group<br>2024<br>Rp'million | 2023<br>Rp'million |
|-------------------------------------------------------|-----------------------------|--------------------|
|                                                       | (Restated)                  |                    |
| <u>Consolidated income statement</u>                  |                             |                    |
| Current income tax:                                   |                             |                    |
| Current financial year                                | -                           | -                  |
| <u>Consolidated statement of comprehensive income</u> |                             |                    |
| Deferred tax:                                         |                             |                    |
| Current financial year                                | -                           | -                  |
| Income tax from continuing operations                 | -                           | -                  |
| Income tax from discontinued operations (Note 10)     | 31,009                      | 35,151             |
|                                                       | 31,009                      | 35,151             |

A reconciliation between income tax and the product of accounting loss multiplied by the applicable corporate tax rates for the financial year is as follows:

|                                                                            | Group<br>2024<br>Rp'million | 2023<br>Rp'million |
|----------------------------------------------------------------------------|-----------------------------|--------------------|
|                                                                            | (Restated)                  |                    |
| Loss before income tax from                                                |                             |                    |
| - continuing operations                                                    | (15,642)                    | (8,516)            |
| - discontinued operations (Note 10)                                        | (1,056,639)                 | (657,881)          |
|                                                                            | (1,072,281)                 | (666,397)          |
| Tax at domestic rates applicable in the countries where the Group operates | (232,816)                   | (143,401)          |
| Effect of expenses not deductible for tax purposes                         | 20,607                      | 11,613             |
| Effect of income not subject to tax                                        | (41)                        | (66)               |
| Deferred tax assets not recognised for unutilised tax losses               | 238,712                     | 167,111            |
| Under/(Over) provision of income tax in respect of previous years          | 4,545                       | (240)              |
| Others                                                                     | 2                           | 134                |
| Total tax expense                                                          | 31,009                      | 35,151             |

**9. Income tax (Continued)**

The corporate income tax applicable to the entities in Singapore is 17% (2023: 17%). The corporate income tax rate applicable to the subsidiaries in Indonesia is 22% (2023: 22%).

Unutilised tax losses

As at 31 December 2024, the Group's continuing operations have unutilised tax losses of approximately Rp45,406 million (2023: Rp45,406 million) available for offset against future taxable profits which has no expiry date and subject to the agreement by Singapore tax authorities and provisions of the Singapore Income Tax Act.

These deferred tax assets have not been recognised as there is uncertainty whether future taxable profits will be available against which the Group's continuing operations can utilise these benefits. Accordingly, these deferred tax assets have not been recognised in the financial statements.

**10. Discontinued operations and assets/(liabilities) of disposal group classified as assets held for sale**

On 2 October 2024, the Company entered into a sale and purchase agreement with the Company's immediate holding company (the "S&P Agreement") pursuant to which the Company shall dispose of the issued and paid-up shares ("Sale Shares") of PT Sumber Graha Sejahtera ("PT SGS"), Samko Trading Pte. Ltd. ("STPL") and Samko Forestry Pte. Ltd. ("SFPL") (collectively the "Sale Subsidiaries").

The aggregate consideration of the Sale Shares shall be S\$5 million (approximately Rp59,900 million) (the "Consideration") in cash which shall be satisfied by the purchaser on completion date.

The management has assessed that the Sale Subsidiaries are available for immediate sale and can be sold to the purchaser in its current condition on 31 December 2024. Hence, the Sale Subsidiaries have been classified as assets/(liabilities) of a disposal group classified as held for sale on 31 December 2024.

In addition, the management of the Company has identified the Sale Subsidiaries as one cash-generating unit ("CGU"). The CGU has been presented as a disposal group held for sale. As the assets of the CGU will be primarily recovered through sale, management has assessed the recoverable amount through their fair value less cost of disposal method.

On 3 February 2025, the Company obtained its shareholders' approval in the extraordinary general meeting for the proposed Sale Shares. The disposal of Sale Subsidiaries was completed on 27 March 2025 following the fulfilment of the conditions precedent set forth in the S&P Agreement and settlement of the Consideration.

**10. Discontinued operations and assets/(liabilities) of disposal group classified as assets held for sale (Continued)**

Following the completion of the Sale Subsidiaries on 27 March 2025, the Company only wholly owns Bioforest Private Limited ("Bioforest"), and Bioforest has a direct interest in its subsidiary, PT Bioforest Indonesia (collectively, the "Post-Disposal Group"). On 27 March 2025, the Post-Disposal Group was appointed by the Sale Subsidiaries, PT SGS and its subsidiaries and STPL and its subsidiaries (collectively, the "Disposal Group") as the exclusive distributor of processed plywood, floorbase, film face, laminated veneer lumber and housing products (the "Products") produced by the Disposal Group to purchasers in Singapore, Thailand, Malaysia, Philippines, United States of America and Canada (the "Exclusive Distributorship Agreement").

The results of the discontinued operations are as follows:

|                                                     | <b>Group</b>      |                   |
|-----------------------------------------------------|-------------------|-------------------|
|                                                     | <b>2024</b>       | <b>2023</b>       |
|                                                     | <b>Rp'million</b> | <b>Rp'million</b> |
| Revenue                                             | 2,075,267         | 2,260,772         |
| Cost of sales                                       | (2,268,840)       | (2,279,551)       |
| Gross loss                                          | (193,573)         | (18,779)          |
| Other income                                        | 188               | 146,548           |
| Selling expenses                                    | (141,178)         | (183,700)         |
| General and administrative expenses                 | (315,076)         | (316,735)         |
| Finance expenses                                    | (261,470)         | (205,895)         |
| Other expenses                                      | (145,530)         | (79,320)          |
| Loss before income tax from discontinued operations | (1,056,639)       | (657,881)         |
| Income tax (Note 9)                                 | (31,009)          | (35,151)          |
| Loss after income tax from discontinued operations  | (1,087,648)       | (693,032)         |

**10. Discontinued operations and assets/(liabilities) of disposal group classified as assets held for sale (Continued)**

The major classes of assets and liabilities in disposal group classified as held for sales of the Group as at 31 December 2024 are as follows:

|                                                                                              | <b>Group<br/>2024<br/>Rp'million</b> |
|----------------------------------------------------------------------------------------------|--------------------------------------|
| Property, plant and equipment                                                                | 2,467,705                            |
| Biological assets (Note 14)                                                                  | 660,085                              |
| Land use rights                                                                              | 58,066                               |
| Deferred tax assets                                                                          | 67,808                               |
| Other assets                                                                                 | 19,952                               |
| Right-of-use assets                                                                          | 44,712                               |
| Inventories                                                                                  | 1,005,911                            |
| Trade and other receivables                                                                  | 160,175                              |
| Prepaid expenses                                                                             | 84,595                               |
| Advances to suppliers                                                                        | 229,406                              |
| Cash at banks and on hand                                                                    | 63,697                               |
| Total assets in disposal group classified as held for sale                                   | <u>4,862,112</u>                     |
| Deferred tax liabilities                                                                     | 98,664                               |
| Advance from customers                                                                       | 357,797                              |
| Post-employment benefits liabilities (Note 27)                                               | 260,374                              |
| Loans and borrowings                                                                         | 3,487,170                            |
| Lease liabilities                                                                            | 23,047                               |
| Trade and other payables                                                                     | 982,105                              |
| Other liabilities                                                                            | 1,160,629                            |
| Income tax payable                                                                           | <u>3,623</u>                         |
| Total liabilities directly associated with the disposal group<br>classified as held for sale | <u>6,373,409</u>                     |
| Net liabilities directly associated with disposal group<br>classified as held for sale       | <u>(1,511,297)</u>                   |

## 10. Discontinued operations and assets/(liabilities) of disposal group classified as assets held for sale (Continued)

The impact of the discontinued operations on the cash flows of the Group is as follows:

|                                   | Group      |            |
|-----------------------------------|------------|------------|
|                                   | 2024       | 2023       |
|                                   | Rp'million | Rp'million |
| Operating cash (outflows)/inflows | (704,703)  | 353,675    |
| Investing cash outflows           | (574,648)  | (892,147)  |
| Financing cash inflows            | 1,108,164  | 550,855    |
| Total cash (outflows)/inflows     | (171,187)  | 12,383     |

Cumulative expense recognised in other comprehensive income relating to disposal group classified as held-for-sale are as follows:

|                                                                                                                   | Group      |            |
|-------------------------------------------------------------------------------------------------------------------|------------|------------|
|                                                                                                                   | 2024       | 2023       |
|                                                                                                                   | Rp'million | Rp'million |
| Cumulative amount recognised in other comprehensive income relating to disposal group classified as held for sale |            | (Restated) |
| - Net actuarial gain/(loss) on post-employment benefits                                                           | 10,059     | (48,174)   |
| - Exchange differences on translation                                                                             | (8,277)    | 6,272      |
|                                                                                                                   | 1,782      | (41,902)   |

Details of assets in non-current asset classified as held for sale of the Company are as follows:

|                                       | Company    |
|---------------------------------------|------------|
|                                       | 2024       |
|                                       | Rp'million |
| Investments in subsidiaries (Note 13) | 50,429     |



**11. Loss per share**

Basic loss per share is calculated by dividing the loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share is calculated by dividing loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

The following reflects the loss and share data used in the computation of basic and diluted loss per share for the financial year:

|                                                                                                             | <b>Group</b>                     |                   |
|-------------------------------------------------------------------------------------------------------------|----------------------------------|-------------------|
|                                                                                                             | <b>2024</b>                      | <b>2023</b>       |
|                                                                                                             | <b>Rp'million</b>                | <b>Rp'million</b> |
| Net loss for the financial year attributable to owners of the Company used in computation of loss per share | (1,033,939)                      | (752,543)         |
| Net loss from continuing operations for the financial year attributable to owners of the Company            | (15,642)                         | (8,516)           |
| Net loss from discontinued operations for the financial year attributable to owners of the Company          | (1,018,297)                      | (744,027)         |
|                                                                                                             | <b>Number of ordinary shares</b> |                   |
| Weighted average number of ordinary shares used for basic and diluted loss per share computation            | 8,595,134,887                    | 2,408,171,095     |

As the Group has no dilutive potential ordinary shares, the diluted loss per share is equivalent to basic loss per share for the financial year.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 12. Property, plant and equipment

|                                                        | Construction in progress                |                                                   |                                           |                        |                                                       |                         | Total<br>Rp'million |                         |
|--------------------------------------------------------|-----------------------------------------|---------------------------------------------------|-------------------------------------------|------------------------|-------------------------------------------------------|-------------------------|---------------------|-------------------------|
|                                                        | Buildings<br>improvements<br>Rp'million | Machinery<br>and heavy<br>equipment<br>Rp'million | Electrical<br>installations<br>Rp'million | Vehicles<br>Rp'million | Furniture,<br>fixtures and<br>equipment<br>Rp'million | Buildings<br>Rp'million |                     | Machinery<br>Rp'million |
| <b>Group</b>                                           |                                         |                                                   |                                           |                        |                                                       |                         |                     |                         |
| <b>Cost</b>                                            |                                         |                                                   |                                           |                        |                                                       |                         |                     |                         |
| At 1 January 2024                                      | 391,781                                 | 1,648,585                                         | 53,425                                    | 55,664                 | 180,651                                               | 608,594                 | 774,745             | 3,713,445               |
| Additions                                              | -                                       | 670                                               | -                                         | 2,554                  | 4,253                                                 | 175,767                 | 373,013             | 556,257                 |
| Interest capitalised                                   | -                                       | -                                                 | -                                         | -                      | -                                                     | 90,079                  | -                   | 90,079                  |
| Disposals                                              | (50,765)                                | (11,977)                                          | (4,990)                                   | (3,448)                | (428)                                                 | (17)                    | -                   | (71,625)                |
| Reclassification                                       | 195,766                                 | 553,371                                           | 294                                       | 15                     | 2,596                                                 | (201,994)               | (550,048)           | -                       |
| Reclassification as<br>disposal group held<br>for sale | (536,717)                               | (2,190,409)                                       | (48,729)                                  | (54,760)               | (185,180)                                             | (672,429)               | (597,710)           | (4,285,934)             |
| Translation realignment                                | -                                       | -                                                 | -                                         | 17                     | 113                                                   | -                       | -                   | 130                     |
| At 31 December 2024                                    | 65                                      | 240                                               | -                                         | 42                     | 2,005                                                 | -                       | -                   | 2,352                   |
| <b>Accumulated<br/>depreciation and<br/>impairment</b> |                                         |                                                   |                                           |                        |                                                       |                         |                     |                         |
| At 1 January 2024                                      | 241,585                                 | 1,278,992                                         | 48,526                                    | 52,012                 | 171,851                                               | -                       | -                   | 1,792,966               |
| Depreciation charge for<br>the financial year          | 16,553<br>(31,424)                      | 53,315<br>(11,693)                                | 1,661<br>(4,990)                          | 771<br>(853)           | 4,475<br>(72)                                         | -                       | -                   | 76,775<br>(49,032)      |
| Disposals                                              |                                         |                                                   |                                           |                        |                                                       |                         |                     |                         |
| Reclassification as<br>disposal group held<br>for sale | (226,649)                               | (1,320,374)                                       | (45,197)                                  | (51,871)               | (174,138)                                             | -                       | -                   | (1,818,229)             |
| Translation realignment                                | -                                       | -                                                 | -                                         | (17)                   | (112)                                                 | -                       | -                   | (129)                   |
| At 31 December 2024                                    | 65                                      | 240                                               | -                                         | 42                     | 2,004                                                 | -                       | -                   | 2,351                   |
| <b>Net book value</b>                                  |                                         |                                                   |                                           |                        |                                                       |                         |                     |                         |
| At 31 December 2024                                    | -                                       | -                                                 | -                                         | -                      | 1                                                     | -                       | -                   | 1                       |

## 12. Property, plant and equipment (Continued)

|                                            | Construction in progress                 |                                             |                                        |                        |                                                 |                         |                         |                     |
|--------------------------------------------|------------------------------------------|---------------------------------------------|----------------------------------------|------------------------|-------------------------------------------------|-------------------------|-------------------------|---------------------|
|                                            | Buildings and improvements<br>Rp'million | Machinery and heavy equipment<br>Rp'million | Electrical installations<br>Rp'million | Vehicles<br>Rp'million | Furniture, fixtures and equipment<br>Rp'million | Buildings<br>Rp'million | Machinery<br>Rp'million | Total<br>Rp'million |
| Group Cost                                 |                                          |                                             |                                        |                        |                                                 |                         |                         |                     |
| At 1 January 2023                          | 362,968                                  | 1,357,243                                   | 53,425                                 | 53,925                 | 175,849                                         | 389,029                 | 203,625                 | 2,596,064           |
| Additions                                  | 23,833                                   | 9,746                                       | -                                      | 813                    | 7,519                                           | 171,237                 | 766,680                 | 979,828             |
| Interest capitalised                       | -                                        | -                                           | -                                      | -                      | -                                               | 53,308                  | -                       | 53,308              |
| Disposals                                  | -                                        | (6,886)                                     | -                                      | (628)                  | (86)                                            | -                       | -                       | (7,600)             |
| Reclassification from right-of-use assets  | -                                        | 91,906                                      | -                                      | -                      | -                                               | -                       | -                       | 91,906              |
| Reclassification                           | 4,980                                    | 196,576                                     | -                                      | 1,567                  | (2,583)                                         | (4,980)                 | (195,560)               | -                   |
| Translation realignment                    | -                                        | -                                           | -                                      | (13)                   | (48)                                            | -                       | -                       | (61)                |
| At 31 December 2023                        | 391,781                                  | 1,648,585                                   | 53,425                                 | 55,664                 | 180,651                                         | 608,594                 | 774,745                 | 3,713,445           |
| Accumulated depreciation and impairment    |                                          |                                             |                                        |                        |                                                 |                         |                         |                     |
| At 1 January 2023                          | 225,889                                  | 1,207,558                                   | 46,610                                 | 51806                  | 166,087                                         | -                       | -                       | 1,697,950           |
| Depreciation charge for the financial year | 15,696                                   | 49,747                                      | 1,916                                  | 847                    | 6,180                                           | -                       | -                       | 74,386              |
| Disposals                                  | -                                        | (5,903)                                     | -                                      | (628)                  | (86)                                            | -                       | -                       | (6,617)             |
| Reclassification from right-of-use assets  | -                                        | 27,306                                      | -                                      | -                      | -                                               | -                       | -                       | 27,306              |
| Reclassification                           | -                                        | 284                                         | -                                      | -                      | (284)                                           | -                       | -                       | -                   |
| Translation realignment                    | -                                        | -                                           | -                                      | (13)                   | (46)                                            | -                       | -                       | (59)                |
| At 31 December 2023                        | 241,585                                  | 1,278,992                                   | 48,526                                 | 52,012                 | 171,851                                         | -                       | -                       | 1,792,966           |
| Net book value                             |                                          |                                             |                                        |                        |                                                 |                         |                         |                     |
| At 31 December 2023                        | 150,196                                  | 369,593                                     | 4,899                                  | 3,652                  | 8,800                                           | 608,594                 | 774,745                 | 1,920,479           |

**12. Property, plant and equipment (Continued)**Assets pledged as security

As at 31 December 2023, buildings and improvements, machinery and heavy equipment, and construction in progress for buildings and machinery with an aggregate carrying amount of Rp1,848,340 million were pledged as collateral for the Group's interest-bearing loans (Note 26).

|                                            | <b>Furniture,<br/>fixtures and<br/>equipment<br/>Rp'million</b> |
|--------------------------------------------|-----------------------------------------------------------------|
| <b>Company</b>                             |                                                                 |
| <b>Cost</b>                                |                                                                 |
| At 1 January 2024                          | 454                                                             |
| Translation reserve                        | 23                                                              |
| At 31 December 2024                        | 477                                                             |
| <b>Accumulated depreciation</b>            |                                                                 |
| At 1 January 2024                          | 453                                                             |
| Depreciation charge for the financial year | 1                                                               |
| Translation reserve                        | 22                                                              |
| At 31 December 2024                        | 476                                                             |
| <b>Net book value</b>                      |                                                                 |
| At 31 December 2024                        | 1                                                               |
| <b>Cost</b>                                |                                                                 |
| At 1 January 2023                          | 463                                                             |
| Translation reserve                        | (9)                                                             |
| At 31 December 2023                        | 454                                                             |
| <b>Accumulated depreciation</b>            |                                                                 |
| At 1 January 2023                          | 458                                                             |
| Depreciation charge for the financial year | 4                                                               |
| Translation reserve                        | (9)                                                             |
| At 31 December 2023                        | 453                                                             |
| <b>Net book value</b>                      |                                                                 |
| At 31 December 2023                        | 1                                                               |

**13. Investments in subsidiaries**

|                                                            | <b>Company</b>    |                   |
|------------------------------------------------------------|-------------------|-------------------|
|                                                            | <b>2024</b>       | <b>2023</b>       |
|                                                            | <b>Rp'million</b> | <b>Rp'million</b> |
| Unquoted equity shares, at cost                            |                   |                   |
| At 1 January                                               | 2,972,249         | 2,786,187         |
| Additions                                                  | -                 | 186,062           |
|                                                            | 2,972,249         | 2,972,249         |
| Less: Allowance for impairment loss                        | (2,921,820)       | (1,960,158)       |
| Reclassification as disposal group held for sale (Note 10) | (50,429)          | -                 |
|                                                            | -                 | 1,012,091         |

During the previous financial year, the Company subscribed for an additional 1,625,000 new ordinary shares at Rp114,500 per ordinary share in the Company's subsidiary, PT Sumber Graha Sejahtera ("PT SGS"). The full consideration of Rp186,062 million was outstanding to PT SGS as at 31 December 2023 and have been fully repaid during the financial year.

Movements in allowance for impairment loss are as follows:

|                                            | <b>Company</b>    |                   |
|--------------------------------------------|-------------------|-------------------|
|                                            | <b>2024</b>       | <b>2023</b>       |
|                                            | <b>Rp'million</b> | <b>Rp'million</b> |
| Balance at beginning of the financial year | 1,960,158         | 1,960,158         |
| Allowance loss during the financial year   | 961,662           | -                 |
| Balance at end of the financial year       | 2,921,820         | 1,960,158         |

**13. Investments in subsidiaries (Continued)**

Details of subsidiaries at the end of the reporting period are set out below.

| Name of subsidiary/<br>Country of incorporation                                      |                                                                                                 | Percentage of<br>effective equity<br>interest held by<br>the Group |           |
|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|-----------|
|                                                                                      | Principal activities                                                                            | 2024<br>%                                                          | 2023<br>% |
| <b><i>Held by the Company</i></b>                                                    |                                                                                                 |                                                                    |           |
| PT Sumber Graha Sejahtera<br>(Indonesia) <sup>(1)</sup>                              | Production of plywood,<br>laminated veneer<br>lumber wood panels<br>and wood based<br>furniture | 100                                                                | 100       |
| Samko Trading Pte. Ltd.<br>(Singapore) <sup>(2)</sup>                                | Wholesale of plywood,<br>sawn timber, logs and<br>related products                              | 100                                                                | 100       |
| Samko Forestry Pte. Ltd.<br>(Singapore) <sup>(2)</sup>                               | Investment holding                                                                              | 100                                                                | 100       |
| Bioforest Private Limited<br>(Singapore) <sup>(2)</sup>                              | Investment holding                                                                              | 100                                                                | 100       |
| <b><i>Held by PT Sumber Graha<br/>Sejahtera</i></b>                                  |                                                                                                 |                                                                    |           |
| PT Putra Sumber Kimindo<br>(Indonesia) <sup>(1)</sup>                                | Production of glue                                                                              | 69                                                                 | 69        |
| PT Navatani Persada<br>(Indonesia) <sup>(1)</sup>                                    | Dormant                                                                                         | 70                                                                 | 70        |
| PT Arangan Hutani Lestari<br>(Indonesia) <sup>(1)</sup>                              | Dormant                                                                                         | 60                                                                 | 60        |
| PT Agrindo Persada Lestari<br>(Indonesia) <sup>(4)(6)</sup>                          | Dormant                                                                                         | 100                                                                | -         |
| <b><i>Held by PT Sumber Graha<br/>Sejahtera and Samko<br/>Forestry Pte. Ltd.</i></b> |                                                                                                 |                                                                    |           |
| PT Sempurna Graha Abadi<br>(Indonesia) <sup>(1)</sup>                                | Investment holdings                                                                             | 100                                                                | 100       |
| <b><i>Held by PT Sumber Graha<br/>Sejahtera and Samko<br/>Trading Pte. Ltd.</i></b>  |                                                                                                 |                                                                    |           |
| PT Anugrah Karunia Alam<br>(Indonesia) <sup>(1)</sup>                                | Wholesale of plywood,<br>sawn timber, logs and<br>related products                              | 100                                                                | 100       |

**13. Investments in subsidiaries (Continued)**

Details of subsidiaries at the end of the reporting period are set out below.  
(Continued)

|                                                                       |                                                | Percentage of effective equity interest held by the Group |           |
|-----------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------|-----------|
| Name of subsidiary/<br>Country of incorporation                       | Principal activities                           | 2024<br>%                                                 | 2023<br>% |
| <i>Held by PT Sumber Graha Sejahtera and PT Anugrah Karunia Alam.</i> |                                                |                                                           |           |
| PT Sari Alam Sejahtera (Indonesia) <sup>(4)(6)</sup>                  | Dormant                                        | 100                                                       | -         |
| <i>Held by PT Sempurna Graha Abadi</i>                                |                                                |                                                           |           |
| PT Sumber Graha Maluku (Indonesia) <sup>(1)</sup>                     | Investment holdings                            | 51                                                        | 51        |
| <i>Held by PT Sumber Graha Maluku</i>                                 |                                                |                                                           |           |
| PT Mangole Timber Producers (Indonesia) <sup>(1)</sup>                | Production of plywood and wood based furniture | 51                                                        | 51        |
| PT Kirana Cakrawala (Indonesia) <sup>(1)</sup>                        | Production of plywood and wood based furniture | 51                                                        | 51        |
| PT Kalpika Wanatama (Indonesia) <sup>(1)</sup>                        | Production of plywood and wood based furniture | 51                                                        | 51        |
| PT Bina Mahoni Utama (Indonesia) <sup>(1)</sup>                       | Production of plywood and wood based furniture | 51                                                        | 51        |
| PT. Wiranusa Trisatrya (Indonesia) <sup>(1)</sup>                     | Production of plywood and wood based furniture | 51                                                        | 51        |

**13. Investments in subsidiaries (Continued)**

Details of subsidiaries at the end of the reporting period are set out below.  
(Continued)

|                                                                         |                                                              | Percentage of effective equity interest held by the Group |           |
|-------------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------|-----------|
| Name of subsidiary/<br>Country of incorporation                         | Principal activities                                         | 2024<br>%                                                 | 2023<br>% |
| <i>Held by Samko Trading Pte. Ltd.</i>                                  |                                                              |                                                           |           |
| PT Alam Raya Makmur<br>(Indonesia) <sup>(5)(6)</sup>                    | Wholesale of plywood, sawn timber, logs and related products | -                                                         | 100       |
| Samkowood Products Sdn. Bhd. (Malaysia) <sup>(3)</sup>                  | Wholesale of plywood, sawn timber, logs and related products | 100                                                       | 100       |
| <i>Held by PT Anugrah Karunia Alam</i>                                  |                                                              |                                                           |           |
| PT Cipta Graha Kreasindo (Indonesia) <sup>(1)</sup>                     | Dormant                                                      | 65                                                        | 65        |
| <i>Held by PT Alam Raya Makmur</i>                                      |                                                              |                                                           |           |
| PT Sari Alam Sejahtera (Indonesia) <sup>(4)(6)</sup>                    | Dormant                                                      | -                                                         | 100       |
| PT Agrindo Persada Lestari (Indonesia) <sup>(4)(6)</sup>                | Dormant                                                      | -                                                         | 100       |
| <i>Held by Bioforest Private Limited and PT Agrindo Persada Lestari</i> |                                                              |                                                           |           |
| PT Bioforest Indonesia (Indonesia) <sup>(4)</sup>                       | Dormant                                                      | 100                                                       | 100       |

(1) Audited by KAP Tanubrata Sutanto Fahmi Bambang & Rekan, Indonesia, a member firm of BDO International Limited

(2) Audited by BDO LLP, Singapore

(3) Audited by KCSM Kuan PLT, Malaysia

(4) Not required to be audited

(5) Merged with PT Sumber Graha Sejahtera

(6) During the financial year, PT Alam Raya Makmur ("PT ARM") has been amalgamated with PT Sumber Graha Sejahtera ("PT SGS"). Upon completion of amalgamation, the entire equity interest in PT Sari Alam Sejahtera ("PT SAS") and PT Agrindo Persada Lestari ("PT APL") previously held by PT ARM have been transferred to PT Sumber Graha Sejahtera ("PT SGS") and PT Anugrah Karunia Alam ("PT AKA").



**13. Investments in subsidiaries (Continued)**Impairment testing

As at 31 December 2024, the Company carried out a review of the recoverable amount of the investments in Sale Subsidiaries due to the proposed Sale Shares to the Company's immediate holding company of the Company. The review led to the recognition of an impairment loss of Rp961,662 million that has been recognised in the Company's profit or loss. The recoverable amount of the Sale Subsidiaries of Rp50,429 million has been determined on the basis of fair value less cost of disposal which is categorised within Level 2 of the fair value hierarchy. The investments in Sale Subsidiaries have been classified as held for sale as at 31 December 2024.

As at 31 December 2023, management performed an impairment assessment of the Company's investment in PT Sumber Graha Sejahtera ("PT SGS") and Samko Trading Pte. Ltd. ("STPL"), as PT SGS and STPL were loss making for financial year ended 31 December 2023 and the carrying amount of the Company's investments in PT SGS and STPL amounting to Rp979,894 million and Rp31,167 million respectively, net of allowance for impairment loss of Rp1,904,846 million, exceeded the net assets of PT SGS and STPL as at that date. The recoverable amount of PT SGS and STPL, the cash-generating unit, was determined based on value in use calculations using cash flow forecast covering a five-year period. The discount rate applied to the cash flow forecast, forecasted growth rate, budgeted gross margin, and the terminal growth rate used to extrapolate cash flow projections beyond the five-year period were discussed below.

- (i) Revenue and budgeted margins for the five-year period were projected based on sales secured with customers along with forecasted demand with reference to past revenues earned and adjusted for forward-looking economic conditions for the first year and thereafter with a forecasted average annual revenue growth rate of 6.5%.
- (ii) Average annualised projection rate of 3.0% for overheads and other general expenses.
- (iii) Terminal growth rate of 3.5% was used for terminal value.
- (iv) Discount rate of 10.0% which represented the prevailing market assessment of the risks specific to PT SGS.

The recoverable amount of the investment in PT SGS and STPL was sensitive to the value in use calculations inputs such as revenue growth rate, terminal growth rate and discount rate. A reduction of 0.28% in the revenue growth rate or a reduction of 0.73% in the terminal growth rate or an increase of 0.56% in the discount rate would result in impairment of the carrying amount of the Company's investment in PT SGS and STPL as at 31 December 2023.

## 14. Biological assets

|                                                            | Group      |            |
|------------------------------------------------------------|------------|------------|
|                                                            | 2024       | 2023       |
|                                                            | Rp'million | Rp'million |
| <u>At fair value</u>                                       |            |            |
| At 1 January                                               | 641,227    | 495,535    |
| Capitalisation of expenses                                 | 3,727      | 8,165      |
| Harvesting of trees                                        | (3,669)    | (1,800)    |
| Net gain in fair value less expected costs to sell         | 18,800     | 139,327    |
| Reclassification as disposal group held for sale (Note 10) | (660,085)  | -          |
| At 31 December                                             | -          | 641,227    |

Biological assets are measured at fair value less costs to sell. The fair value is estimated with reference to an independent professional valuation using the present value of expected net cash flows from the biological assets. Determining the present value of expected net cash flows requires the use of assumptions and estimates relating to growth, harvesting plan, harvest yield per hectare, sale prices, and costs, and also a suitable discount rate in order to calculate the present value of those net cash flows.

As at 31 December 2024, the Group's biological assets are included in assets of a disposal group classified as held for sale as disclosed in Note 10 to the financial statements.

The Group's plantations located in Jambi and Jasinga have total planted areas covering approximately 173 hectares (2023: 233 hectares). The Group's plantations located in Maluku have total planted areas covering approximately 30,268 hectares (2023: 31,900 hectares).

The Group's plantation trees in Jambi and Jasinga consist of *Gmelina Arborea*, *Paraserianthes Falcataria*, *Anthocephalus Cadamba* and *Tectona Grandis* with 1% (2023: 1%) aged between 5 – 7 years and 99% (2023: 99%) aged more than 7 years. The Group's plantation trees in Maluku consist of *Gmelina Arborea* and *Paraserianthes Falcataria* which are aged more than 7 years.

**14. Biological assets (Continued)**Fair value measurement

The fair value of the biological assets is estimated with reference to an independent professional valuation using the present value of expected net cash flows from the biological assets.

The valuation for the Group's plantation trees in Jambi and Jasinga is based on the following key assumptions and inputs:

- (i) No new planting or re-planting activities are assumed.
- (ii) The year of tree planting is between 5 to 13 years (2023: between 5 to 13 years).
- (iii) Estimated yield in cubic meter per hectare.
- (iv) Market price is derived from average market log price per species.
- (v) Inflation rate is 2.50% - 2.60% (2023: 2.50%) based on the average of last 5 years.
- (vi) Discount rate is 9.70% (2023: 10.00%).

The valuation for the Group's plantation trees in Maluku is based on the following key assumptions and inputs:

- (i) No new planting or re-planting activities are assumed.
- (ii) The year of tree planting is between 17 to 28 years (2023: between 17 to 28 years).
- (iii) Estimated yield in cubic meter per hectare.
- (iv) Market price is derived from average market log price per species.
- (v) Inflation rate is 2.50% - 2.60% (1.60% - 2.50%) based on the average of last 5 years.
- (vi) Discount rate is 9.69% - 9.71% (2023: 10.06%).

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 15. Land use rights

|                                                     | Group      |            |
|-----------------------------------------------------|------------|------------|
|                                                     | 2024       | 2023       |
|                                                     | Rp'million | Rp'million |
| <b>Cost</b>                                         |            |            |
| At 1 January                                        | 142,492    | 142,492    |
| Reclassification as disposal group held for sale    | (142,492)  | -          |
| At 31 December                                      | -          | 142,492    |
| <b>Accumulated amortisation</b>                     |            |            |
| At 1 January                                        | 79,109     | 73,790     |
| Amortisation charge for the financial year          | 5,317      | 5,319      |
| Reclassification as disposal group held for sale    | (84,426)   | -          |
| At 31 December                                      | -          | 79,109     |
| <b>Net book value</b>                               |            |            |
| At 31 December                                      | -          | 63,383     |
| Amount to be amortised:                             |            |            |
| - Not later than one year                           | -          | 5,319      |
| - Later than one year but not later than five years | -          | 13,980     |
| - Later than five years                             | -          | 44,084     |

As at 31 December 2023, the land use rights, comprising 641 hectares of land in Indonesia are transferable and have a remaining tenure ranging from 1 to 51 years. The land use rights with an aggregate carrying amount of Rp53,917 million were pledged as collateral for the Group's interest-bearing loans (Note 26).

**16. Deferred tax**

Deferred tax at the end of the reporting period relates to the following:

|                                                                               | Consolidated statement of financial position |            | Group consolidated profit or loss |            | Consolidated other comprehensive income |            |
|-------------------------------------------------------------------------------|----------------------------------------------|------------|-----------------------------------|------------|-----------------------------------------|------------|
|                                                                               | 2024                                         | 2023       | 2024                              | 2023       | 2024                                    | 2023       |
|                                                                               | Rp'million                                   | Rp'million | Rp'million                        | Rp'million | Rp'million                              | Rp'million |
| <b>Deferred tax assets</b>                                                    |                                              |            |                                   |            |                                         |            |
| Unutilised tax losses*                                                        | -                                            | 14,519     | -                                 | 597        | -                                       | -          |
| Difference in post-employment benefits obligation                             | -                                            | 65,665     | -                                 | (969)      | -                                       | 11,836     |
| Allowance for impairment loss of financial assets                             | -                                            | 3,029      | -                                 | 29         | -                                       | -          |
| Allowance for advances to suppliers                                           | -                                            | 472        | -                                 | -          | -                                       | -          |
| Effect of change in fair value of biological assets                           | -                                            | 2,852      | -                                 | (4,861)    | -                                       | -          |
| Difference in depreciation for tax purposes                                   | -                                            | 5,781      | -                                 | (2,848)    | -                                       | -          |
| Other items                                                                   | -                                            | 2,117      | -                                 | 722        | -                                       | -          |
|                                                                               | -                                            | 94,435     |                                   |            |                                         |            |
| <b>Deferred tax liabilities</b>                                               |                                              |            |                                   |            |                                         |            |
| Effect of change in fair value of biological assets                           | -                                            | (85,656)   | -                                 | (33,641)   | -                                       | -          |
| Difference in accounting and tax treatment of leases                          | -                                            | (12,747)   | -                                 | 5,639      | -                                       | -          |
| Difference in employees' benefit obligation                                   | -                                            | (91)       | -                                 | -          | -                                       | (91)       |
|                                                                               | -                                            | (98,494)   |                                   |            |                                         |            |
| Deferred tax (charged)/credited to profit or loss/other comprehensive income* |                                              |            | -                                 | (35,332)   | -                                       | 11,745     |

As at 31 December 2024, the Group's deferred tax assets/(liabilities) are included in assets/(liabilities) of a disposal group classified as held for sale as disclosed in Note 10 to the financial statements.

\* As at 31 December 2023, the deferred tax assets arose from a subsidiary's unutilised tax losses recognised of approximately Rp65,996 million, which could be carried forward and it was probable to be used to offset against future taxable income of the subsidiary. The reduction in the recognised unutilised tax losses was consequent to a tax audit performed by the relevant tax authorities in the subsidiary's jurisdiction during the prior financial year.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 17. Other assets

|                                  | Group      |            | Company    |            |
|----------------------------------|------------|------------|------------|------------|
|                                  | 2024       | 2023       | 2024       | 2023       |
|                                  | Rp'million | Rp'million | Rp'million | Rp'million |
| Other advances                   | -          | 15,385     | -          | -          |
| Estimated claim for tax refund   | -          | 10,354     | -          | -          |
| Guarantee deposits               | 119        | 5,711      | 119        | 114        |
| Other assets – non-current       | 119        | 31,450     | 119        | 114        |
| Other assets – current (Note 19) | -          | 45,317     | -          | -          |
| Total                            | 119        | 76,767     | 119        | 114        |

## 18. Inventories

|                                                       | Group      |            |
|-------------------------------------------------------|------------|------------|
|                                                       | 2024       | 2023       |
|                                                       | Rp'million | Rp'million |
| <u>Consolidated statement of financial position</u>   |            |            |
| <i>At cost</i>                                        |            |            |
| Raw materials                                         | -          | 11,958     |
| Work in progress                                      | -          | 480,143    |
| Indirect materials and spare parts                    | -          | 105,604    |
| <i>At lower of cost and net realisable value</i>      |            |            |
| Finished goods                                        | -          | 314,536    |
|                                                       | -          | 912,241    |
| <u>Consolidated income statement</u>                  |            |            |
| Inventories recognised as an expense in cost of sales | -          | 1,114,947  |

In 2023, the Group carried out a review of the realisable value of its inventories and the review led to inventory written off of Rp1,637 million included in "Other expenses".

As at 31 December 2023, inventories with an aggregate carrying amount of Rp770,117 million were pledged as collateral for the Group's interest-bearing loans (Note 26).

**19. Trade and other receivables**

|                                                                  | <b>Group</b>      |                   | <b>Company</b>    |                   |
|------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                  | <b>2024</b>       | <b>2023</b>       | <b>2024</b>       | <b>2023</b>       |
|                                                                  | <b>Rp'million</b> | <b>Rp'million</b> | <b>Rp'million</b> | <b>Rp'million</b> |
| Trade receivables,<br>net of allowance                           |                   |                   |                   |                   |
| - Third parties                                                  | -                 | 193,303           | -                 | -                 |
| Other receivables,<br>net of allowance                           |                   |                   |                   |                   |
| - Third parties                                                  | -                 | 16,630            | -                 | -                 |
| - Subsidiaries                                                   | -                 | -                 | 119               | 5,900             |
| <i>Total trade and<br/>other receivables</i>                     | -                 | 209,933           | 119               | 5,900             |
| Add:                                                             |                   |                   |                   |                   |
| Guarantee deposits<br>- net (Note 17)                            | 119               | 5,711             | 119               | 114               |
| Cash at banks and<br>on hand<br>(Note 22)                        | 506               | 30,372            | 309               | 215               |
| <i>Total financial<br/>assets carried at<br/>amortised costs</i> | 625               | 246,016           | 547               | 6,229             |

Trade receivables are non-interest bearing and are generally on 30 to 90 days credit terms.

As at 31 December 2023, trade receivables with an aggregate carrying amount of Rp68,221 million were pledged as collateral for the Group's interest-bearing loans (Note 26).

The Group had purchase arrangements with certain suppliers of logs where the Group would fund the suppliers' machineries and offset by future delivery of logs from the suppliers. The purchase arrangements ended during the financial year ended 31 December 2023 and certain funded machineries amounted to Rp45,317 million were seized by the Group to offset against the receivables and were classified as other assets - current as at 31 December 2023 (Note 17).

Other receivables from subsidiaries are non-trade related, unsecured, non-interest bearing and repayable on demand in cash.

**19. Trade and other receivables (Continued)**

At the end of the reporting period, trade and other receivables denominated in the currencies of which have exposure to foreign currency risk (Note 32.2) are as follows:

|                      | Group              |                    | Company            |                    |
|----------------------|--------------------|--------------------|--------------------|--------------------|
|                      | 2024<br>Rp'million | 2023<br>Rp'million | 2024<br>Rp'million | 2023<br>Rp'million |
| United States Dollar | -                  | 31,546             | -                  | -                  |
| Singapore Dollar     | -                  | -                  | 119                | 90                 |

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECLs"). The ECLs on trade receivables are estimated using a provision matrix which involves grouping receivables based on characteristics which have historically influenced asset recoverability, such as credit ratings, customer-industry group and customer geography, and applying a historic provision rate which is based on days past due for groupings of various customer segments that have similar loss patterns. In devising such a provision matrix, the Group uses its historical credit loss experience with forward-looking information (adjusted as necessary to reflect current conditions and forecast economic conditions) to estimate the lifetime expected credit losses on the trade receivables. At every reporting date, the historical default rates are updated and the impact of forward-looking information is reassessed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECL on the Group's trade receivables is disclosed in Note 32.1.



**19. Trade and other receivables (Continued)**

As at 31 December 2024, the Group's trade receivables are included in assets of a disposal group classified as held for sale as disclosed in Note 10 to the financial statements. The Group's credit risk exposure in relation to trade receivables, grouped by geographical region, were set out in the provision matrix as presented below.

|                           | Current | Past due   |          |          |                         | Total    |
|---------------------------|---------|------------|----------|----------|-------------------------|----------|
|                           |         | >30 days   | >60 days | >90 days | >365 days               |          |
|                           |         | Rp'million |          |          |                         |          |
| <b>Group</b>              |         |            |          |          |                         |          |
| <b>2024</b>               |         |            |          |          |                         |          |
| <u>Indonesia</u>          |         |            |          |          |                         |          |
| Expected credit loss rate | *       | *          | *        | 28%      | 100%                    |          |
| Gross carrying amount     | 54,570  | 3,222      | 2,738    | 11,387   | 47,815                  | 119,732  |
| Less: Loss allowance      | *       | *          | *        | (3,159)  | (47,815) <sup>(1)</sup> | (50,974) |
| <u>Other</u>              |         |            |          |          |                         |          |
| <u>geographical areas</u> |         |            |          |          |                         |          |
| Expected credit loss rate | *       | *          | *        | *        | 93%                     |          |
| Gross carrying amount     | 63,864  | 1,399      | –        | 1,402    | 17,410                  | 84,075   |
| Less: Loss allowance      | *       | *          | *        | *        | (16,105) <sup>(1)</sup> | (16,105) |

\* Insignificant ECL rate/loss allowance.

(1) Included in >365 days were amounts of which 100% loss allowances have been recognised totalling Rp63,920 million.

**19. Trade and other receivables (Continued)**

As at 31 December 2023, the Group's credit risk exposure in relation to trade receivables, grouped by geographical region, were set out in the provision matrix as presented below.

|                                 | Past due   |          |          |          |                         | Total    |
|---------------------------------|------------|----------|----------|----------|-------------------------|----------|
|                                 | Current    | >30 days | >60 days | >90 days | >365 days               |          |
|                                 | Rp'million |          |          |          |                         |          |
| <b>Group</b>                    |            |          |          |          |                         |          |
| <b>2023</b>                     |            |          |          |          |                         |          |
| <u>Indonesia</u>                |            |          |          |          |                         |          |
| Expected credit loss rate       | *          | *        | 2%       | 3%       | 70%                     |          |
| Gross carrying amount           | 87,536     | 4,475    | 3,536    | 21,243   | 42,920                  | 159,710  |
| Less: Loss allowance            | *          | *        | *        | *        | (29,833) <sup>(1)</sup> | (29,833) |
| <u>Other geographical areas</u> |            |          |          |          |                         |          |
| Expected credit loss rate       | *          | *        | *        | *        | 43%                     |          |
| Gross carrying amount           | 39,525     | *        | 92       | 14,222   | 16,687                  | 70,526   |
| Less: Loss allowance            | *          | *        | *        | *        | (7,100) <sup>(1)</sup>  | (7,100)  |

\* Insignificant ECL rate/loss allowance.

(1) Included in >365 days were amounts of which 100% loss allowances have been recognised totalling Rp36,933 million.

**19. Trade and other receivables (Continued)**

The Company does not have credit risk exposure in relation to trade receivables.

The movements in the allowance for impairment loss of trade and other receivables during the financial year are as follows:

|                                                  | Group      |            | Company    |            |
|--------------------------------------------------|------------|------------|------------|------------|
|                                                  | 2024       | 2023       | 2024       | 2023       |
|                                                  | Rp'million | Rp'million | Rp'million | Rp'million |
| At 1 January                                     | 36,933     | 39,909     | -          | 1,346      |
| Allowance for impairment loss                    | 29,693     | 2,578      | -          | -          |
| Written-off                                      | -          | (5,316)    | -          | (1,319)    |
| Translation realignment                          | 453        | (238)      | -          | (27)       |
| Reclassification as disposal group held for sale | (67,079)   | -          | -          | -          |
| At 31 December                                   | -          | 36,933     | -          | -          |

**20. Prepaid expenses**

|                                  | Group      |            | Company    |            |
|----------------------------------|------------|------------|------------|------------|
|                                  | 2024       | 2023       | 2024       | 2023       |
|                                  | Rp'million | Rp'million | Rp'million | Rp'million |
| Insurance                        | -          | 3,231      | -          | -          |
| Land title transfer fee          | -          | 6,173      | -          | -          |
| Short-term leases                | -          | 2,770      | -          | -          |
| Value-added tax and income taxes | 284        | 54,656     | 276        | 86         |
| Deferred cost of disposal        | 9,168      | -          | 9,168      | -          |
| Others                           | 100        | 11,779     | 100        | 405        |
|                                  | 9,552      | 78,609     | 9,544      | 491        |

## Notes to the Financial Statements

For the financial year ended 31 December 2024

### 21. Advances to suppliers

|                   | Group      |            | Company    |            |
|-------------------|------------|------------|------------|------------|
|                   | 2024       | 2023       | 2024       | 2023       |
|                   | Rp'million | Rp'million | Rp'million | Rp'million |
| For the           |            |            |            |            |
| procurement       |            |            |            |            |
| of, net of        |            |            |            |            |
| allowance:        |            |            |            |            |
| - Property, plant |            |            |            |            |
| and equipment     | -          | 158,838    | -          | -          |
| - Logs            | -          | 529        | -          | -          |
| - Veneers         | -          | 20,209     | -          | -          |
| - Spare parts     | -          | 2,046      | -          | -          |
| - Others          | -          | 22,533     | -          | 227        |
|                   | -          | 204,155    | -          | 227        |

The movements in the allowance for impairment loss of advances to suppliers during the financial year are as follows:

|                     | Group      |            | Company    |            |
|---------------------|------------|------------|------------|------------|
|                     | 2024       | 2023       | 2024       | 2023       |
|                     | Rp'million | Rp'million | Rp'million | Rp'million |
| At 1 January        | 2,729      | 2,146      | -          | -          |
| Addition            | -          | 583        | -          | -          |
| Reclassification as |            |            |            |            |
| disposal group      |            |            |            |            |
| held for sale       | (2,729)    | -          | -          | -          |
| At 31 December      | -          | 2,729      | -          | -          |

### 22. Cash at banks and on hand

|                | Group      |            | Company    |            |
|----------------|------------|------------|------------|------------|
|                | 2024       | 2023       | 2024       | 2023       |
|                | Rp'million | Rp'million | Rp'million | Rp'million |
| Cash at banks  | 506        | 30,219     | 309        | 215        |
| Cash on hand   | -          | 153        | -          | -          |
| Cash and cash  |            |            |            |            |
| equivalents as |            |            |            |            |
| per statement  |            |            |            |            |
| of cash flows  | 506        | 30,372     | 309        | 215        |

**22. Cash at banks and on hand (Continued)**

At as 31 December 2024, cash at banks and on hand denominated in the currencies of which have exposure to foreign currency risk (Note 32.2) are as follows:

|                  | <b>Group</b>      |                   | <b>Company</b>    |                   |
|------------------|-------------------|-------------------|-------------------|-------------------|
|                  | <b>2024</b>       | <b>2023</b>       | <b>2024</b>       | <b>2023</b>       |
|                  | <b>Rp'million</b> | <b>Rp'million</b> | <b>Rp'million</b> | <b>Rp'million</b> |
| United States    |                   |                   |                   |                   |
| Dollar           | 120               | 21,459            | -                 | -                 |
| Singapore Dollar | 379               | 614               | 189               | 149               |

**23. Trade and other payables**

|                                                              | <b>Group</b>      |                   | <b>Company</b>    |                   |
|--------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                              | <b>2024</b>       | <b>2023</b>       | <b>2024</b>       | <b>2023</b>       |
|                                                              | <b>Rp'million</b> | <b>Rp'million</b> | <b>Rp'million</b> | <b>Rp'million</b> |
| Trade payables                                               |                   |                   |                   |                   |
| - Third parties                                              | -                 | 693,223           | -                 | -                 |
| - Related parties                                            | -                 | 816               | -                 | -                 |
| - Subsidiaries                                               | -                 | -                 | -                 | 4,026             |
| Other payables                                               |                   |                   |                   |                   |
| - Third parties                                              | 121               | 299,533           | 90                | 1,763             |
| - Related parties                                            | -                 | 466               | -                 | -                 |
| - Subsidiary                                                 | -                 | -                 | 3,110             | 185,633           |
| <i>Total trade and other payables</i>                        | 121               | 994,038           | 3,200             | 191,422           |
| Add:                                                         |                   |                   |                   |                   |
| Other liabilities*<br>(Note 24)                              | 6,403             | 62,605            | 9,291             | 287,445           |
| Loans and borrowings<br>(Note 26)                            | -                 | 3,071,858         | -                 | -                 |
| Lease liabilities<br>(Note 30)                               | -                 | 21,761            | -                 | -                 |
| <i>Total financial liabilities carried at amortised cost</i> | 6,524             | 4,150,262         | 12,491            | 478,867           |

\* Excludes post-employment benefits and value-added tax.

**23. Trade and other payables (Continued)**

Trade payables – third parties are non-interest bearing and are normally settled on 60-days credit terms.

Trade payables – related parties and subsidiaries are unsecured, non-interest bearing and repayable on demand in cash.

Other payables – subsidiary is non-trade related, unsecured, non-interest bearing and repayable on demand in cash.

As at 31 December 2024, trade and other payables denominated in currencies of which have exposure to foreign currency risk (Note 32.2) are as follows:

|                  | Group      |            | Company    |            |
|------------------|------------|------------|------------|------------|
|                  | 2024       | 2023       | 2024       | 2023       |
|                  | Rp'million | Rp'million | Rp'million | Rp'million |
| United States    |            |            |            |            |
| Dollar           | -          | 57,750     | 2,990      | -          |
| Singapore Dollar | 121        | 619        | 210        | 576        |

**24. Other liabilities**

|                                                                                               | Group      |            | Company    |            |
|-----------------------------------------------------------------------------------------------|------------|------------|------------|------------|
|                                                                                               | 2024       | 2023       | 2024       | 2023       |
|                                                                                               | Rp'million | Rp'million | Rp'million | Rp'million |
| <u>Current</u>                                                                                |            |            |            |            |
| Accrual for operating expenses                                                                | 6,403      | 36,506     | 6,317      | 2,633      |
| Accrued interest expense                                                                      | -          | 25,607     | -          | -          |
| Post-employment benefits (Note 28)                                                            | -          | 58,962     | -          | -          |
| Value-added tax                                                                               | -          | 4,576      | -          | -          |
| Others                                                                                        | -          | 492        | -          | -          |
|                                                                                               | 6,403      | 126,143    | 6,317      | 2,633      |
| <u>Non-current</u>                                                                            |            |            |            |            |
| Amount due to a subsidiary                                                                    | -          | -          | 2,974      | 284,812    |
| <i>Total other liabilities</i>                                                                | 6,403      | 126,143    | 9,291      | 287,445    |
| Balances denominated in currency of which have exposure to foreign currency risk (Note 32.2): |            |            |            |            |
| United States Dollar                                                                          | 323        | -          | 3,297      | -          |
| Singapore Dollar                                                                              | 5,407      | 2,745      | 5,323      | 2,326      |

Amount due to a subsidiary is non-trade related, unsecured, non-interest bearing and not expected to be repaid within the next twelve months.

**25. Advances from customers**

|                               | Group      |            | Company    |            |
|-------------------------------|------------|------------|------------|------------|
|                               | 2024       | 2023       | 2024       | 2023       |
|                               | Rp'million | Rp'million | Rp'million | Rp'million |
| <u>Current</u>                |            |            |            |            |
| Local                         | -          | 2,898      | -          | -          |
| Export                        | 30         | 49,241     | 30         | 29         |
|                               | 30         | 52,139     | 30         | 29         |
| <u>Non-current</u>            |            |            |            |            |
| Export                        | -          | 260,393    | -          | -          |
| Total advances from customers | 30         | 312,532    | 30         | 29         |

Advances from customers (contract liabilities) represent advances received from customers for sales of the Group's/Company's products. As at 31 December 2023, the non-current advances from a customer bore interest of 10% per annum and was not scheduled for utilisation within 12 months from the end of the reporting period.

Significant changes in the contract liabilities during the financial year are disclosed as follows:

|                                                         | Group      |            | Company    |            |
|---------------------------------------------------------|------------|------------|------------|------------|
|                                                         | 2024       | 2023       | 2024       | 2023       |
|                                                         | Rp'million | Rp'million | Rp'million | Rp'million |
| Advances from customers recognised as revenue           | -          | 33,480     | -          | -          |
| Advance payments received for goods not yet transferred | (30)       | (312,532)  | (30)       | (29)       |



**26. Loans and borrowings**

|                                                                               | <b>Group</b>      |                   |
|-------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                               | <b>2024</b>       | <b>2023</b>       |
|                                                                               | <b>Rp'million</b> | <b>Rp'million</b> |
| <u>Current</u>                                                                |                   |                   |
| Interest-bearing short-term bank loans <sup>(1)(2)</sup>                      | -                 | 1,509,199         |
| Interest-bearing long-term bank loans -<br>current portion <sup>(2)</sup>     | -                 | 385,966           |
|                                                                               | -                 | 1,895,165         |
| <u>Non-current</u>                                                            |                   |                   |
| Interest-bearing long-term bank loans -<br>non-current portion <sup>(2)</sup> | -                 | 1,039,197         |
| Interest-bearing term notes <sup>(2)</sup>                                    | -                 | 137,496           |
|                                                                               | -                 | 1,176,693         |
| <i>Total loans and borrowings</i>                                             | -                 | 3,071,858         |

- (1) As at 31 December 2023, included in the interest-bearing short-term bank loans, an amount of Rp73,902 million was bank borrowings from a related party, PT Bank Sahabat Sampoerna.
- (2) As at 31 December 2023, included in the interest-bearing bank loans and bonds/term notes were deferred transaction costs netted off of Rp6,937 million and Rp5,821 million respectively which were amortised over the terms of repayment of the respective loans and borrowings.

**26.1 Interest-bearing loans**

|                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Group</b>      |                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>2024</b>       | <b>2023</b>       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Rp'million</b> | <b>Rp'million</b> |
| (i) Total syndicate loans facilities from PT Bank OCBC NISP Tbk and OCBC Limited up to US\$2,000,000 (approximately Rp30,832 million) and Rp335,995 million comprised demand loans, pre-shipment financing and bill purchase, post import financing non letter of credit or trade purchase financing and bank guarantee which incur interest at 1 month Term SOFR plus 3.00% and 1 month JIBOR plus 2.35% per annum, respectively. | -                 | 1,675,228         |

**26. Loans and borrowings (Continued)****26.1 Interest-bearing loans (Continued)**

| Group      |            |
|------------|------------|
| 2024       | 2023       |
| Rp'million | Rp'million |

**(i) (Continued)**

Total bilateral loan facilities from PT Bank OCBC NISP Tbk up to Rp223,000 million and US\$27,000,000 (approximately Rp416,232 million) comprised term loan, pre-shipment financing, letter of credit/SKBDN facility, demand loan, trade financing facility and foreign exchange line.

Term loan under bilateral loan facility of Rp150,000 million incurred interest at 1 month JIBOR plus 2.60% per annum and repayable on monthly installments, commenced from June 2021.

Pre-shipment financing under bilateral loan facility of Rp58,000 million incurred interest at 1 month JIBOR plus 2.35% per annum and was repayable within 75 days after withdrawal.

Letter of credit/SKBDN facility of Rp15,000 million incurred commission fee at 0.25% - 0.50% per quarter.

Demand loan facility of US\$2,000,000 incurred interest at 1 month Term SOFR plus 3.00% per annum.

Trade receivables financing facility under bilateral loan facility of US\$20,000,000 (approximately Rp308,320 million) incurred interest at 1 month Term SOFR plus 3.00% per annum.

**26. Loans and borrowings (Continued)****26.1 Interest-bearing loans (Continued)**

|       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Group      |            |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
|       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2024       | 2023       |
|       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Rp'million | Rp'million |
| (i)   | (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |            |
|       | <p>Total loan facilities from <u>PT Bank OCBC NISP Tbk</u> for Mangole Project up to US\$84,000,000 (approximately Rp1,294,944 million) comprised term loans and demand loans. Term loans facilities consisted of US\$74,000,000 incurred interest at 3 month Term SOFR plus 2.75% plus adjustable margin per annum and repayable on quarterly installments within 8 years from the first withdrawal date. Demand loans facilities consisted of US\$10,000,000 incurred interest at 1 month Term SOFR plus 2.25% and 1 month JIBOR plus 2.35% per annum, and repayable every 45 days since withdrawal date.</p> <p>The bank facilities included financial covenants which required a group of subsidiaries to maintain EBITDA to debt service ratio not less than 1.25 times, adjusted leverage ratio not more than 2.5 times, consolidated debt to EBITDA not more than 3 times, loan to value ratio not more than 75%, and adjusted current ratio not less than 1 time.</p> |            |            |
| (ii)  | US\$5,000,000 (approximately Rp77,080 million) multi-currency specific advance facility from OCBC Limited and payable within 1 – 3 months. Interest rate per annum to be agreed at each withdrawal of advance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | -          | 77,080     |
| (iii) | Rp75,000 million revolving overdraft facility from PT Bank Sahabat Sampoerna and was repayable in 12 months from the date of withdrawal and incurred interest at 12.00% – 13.50% per annum.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | -          | 73,902     |

**26. Loans and borrowings (Continued)****26.1 Interest-bearing loans (Continued)**

|      |                                                                                                                                                                                                                                                                                                                                                                                                                      | Group      |            |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
|      |                                                                                                                                                                                                                                                                                                                                                                                                                      | 2024       | 2023       |
|      |                                                                                                                                                                                                                                                                                                                                                                                                                      | Rp'million | Rp'million |
| (iv) | As at 31 December 2023, total loan facilities from PT Bank CTBC Indonesia up to US\$4,000,000 (approximately Rp61,664 million) in 2023 comprised short-term loan for working capital and foreign exchange line. The working capital facilities were repayable within 12 months from the date of withdrawal and incurred interest at 6.00% – 6.25% per annum for US\$ loan and 10.00% – 10.25% per annum for Rp loan. | -          | 28,060     |
|      | The bank facilities included financial covenants which required the lenders to maintain debt to equity ratio not more than 2.5 times and current ratio not less than 1 time.                                                                                                                                                                                                                                         |            |            |
| (v)  | As at 31 December 2023, 3-year term of private placement of bonds up to US\$6,000,000 (approximately Rp92,496 million) and Rp45,000 million. The bonds were repayable in 36 months from date of issuance and incurred interest at fixed rates of 11.00% per annum for US\$ bonds and 16.50% per annum for Rp bonds.                                                                                                  | -          | 137,496    |
| (vi) | Total facilities from PT Bank BCA Tbk up to US\$15,000,000 (approximately Rp231,240 million) comprised time loan revolving loan for working capital and foreign exchange line. The working capital facilities were repayable in 12 months from the credit signing date and incurred interest at 5.00% – 6.00% per annum.                                                                                             | -          | 154,083    |

**26. Loans and borrowings (Continued)****26.1 Interest-bearing loans (Continued)**

|       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Group<br>2024 | 2023<br>Rp'million |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------------|
| (vi)  | (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |               |                    |
|       | The bank facilities included financial covenants which required the lenders to maintain EBITDA to debt service ratio not less than 1 time, debt to equity ratio not more than 2.5 times, debt to EBITDA not more than 5 times, and total amount of trade receivables, inventories, and advance to suppliers, minus trade payables more than the outstanding short term bank loan.                                                                                                                                                                                                                    |               |                    |
| (vii) | Total loans facilities from <u>PT Bank Mandiri Tbk</u> up to US\$40,000,000 (approximately Rp616,640 million) comprising term loans, demand loans, and foreign exchange line. Term loans facilities consisted of US\$15,000,000 (approximately Rp231,240 million) incurred interest at 6.25% - 8.00% per annum and repayable within 5 years from the credit signing date, working capital facilities of US\$15,000,000, incur interest at 5.50% - 7.75% per annum and repayable within 1 year from the credit signing date, and foreign exchange line facilities up to US\$10,000,000, respectively. | -             | 395,067            |
|       | The bank facilities included financial covenants which required a group of subsidiaries to maintain EBITDA to debt service ratio not less than 100%, debt to equity ratio not more than 400%, current ratio not less than 100%, and to maintain positive net worth.                                                                                                                                                                                                                                                                                                                                  |               |                    |

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 26. Loans and borrowings (Continued)

### 26.1 Interest-bearing loans (Continued)

|                                                                                                                                                                                                                                                                                                                                            | Group      |            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
|                                                                                                                                                                                                                                                                                                                                            | 2024       | 2023       |
|                                                                                                                                                                                                                                                                                                                                            | Rp'million | Rp'million |
| (viii) US\$20,000,000 (approximately Rp308,320 million) from <u>PT Bank Woori Sahabat Indonesia</u> 1906 Tbk general financing facility repayable in quarterly installments and incur interest at 3-month Term SOFR plus 3.75% per annum.                                                                                                  | -          | 238,948    |
| The loan included financial covenants which required the lenders to maintain EBITDA to interest expense ratio not less than 1.2 times and debt to asset ratio not more than 50%.                                                                                                                                                           |            |            |
| (ix) Rp200,000 million revolving overdraft facility from <u>PT Bank Capital Tbk</u> and was repayable in 12 months from the date of signing and incur interest at 11.00% - 12.00% per annum.                                                                                                                                               | -          | 200,000    |
| (x) Total facilities from <u>PT Bank UOB</u> up to US\$16,000,000 (approximately Rp246,656 million) comprised working capital and foreign exchange line. These facilities were repayable in 12 months from the credit signing date and incurred interest at 6.50% - 8.55% per annum for US\$ loan and 8.50% - 9.65% per annum for Rp loan. | -          | 91,994     |
| The bank facilities included financial covenants which required the lenders to maintain debt to equity ratio not more than 2.5 times, interest service coverage ratio not less than 1.2 times and current ratio not less than 1 time.                                                                                                      |            |            |
| Total interest-bearing loans                                                                                                                                                                                                                                                                                                               | -          | 3,071,858  |

**26. Loans and borrowings (Continued)****26.1 Interest-bearing loans (Continued)**

|                                                                                               | Group      |                |
|-----------------------------------------------------------------------------------------------|------------|----------------|
|                                                                                               | 2024       | 2023           |
|                                                                                               | Rp'million | Rp'million     |
| Effective interest rates per annum:                                                           |            |                |
| US\$ loans and borrowings                                                                     | -          | 5.00% - 11.00% |
| Rp loans and borrowings                                                                       | -          | 8.50% - 16.50% |
| Repayable:                                                                                    |            |                |
| Within one year                                                                               | -          | 1,895,165      |
| Between two and five years                                                                    | -          | 1,176,693      |
|                                                                                               | -          | 3,071,858      |
| Balances denominated in currency of which have exposure to foreign currency risk (Note 32.2): |            |                |
| United States Dollar                                                                          | -          | 2,199,240      |

As at 31 December 2023, the interest-bearing bank loans were secured over the Group's buildings and improvements, machinery and heavy equipment, and construction in progress of buildings and machinery (Note 12), land use rights (Note 15), inventories (Note 18) and trade receivables (Note 19) held by certain subsidiaries. Further, all other assets of these subsidiaries were on negative pledge to the relevant lenders and some restrictions on dividend payment are imposed on them.

Financial covenants

During the previous financial year, a subsidiary of the Group did not meet certain financial ratio covenants as set out in the loan agreements with certain banks, but the relevant banks granted the subsidiary waivers of having to comply with such financial ratio covenants. Accordingly, the related long-term loans amounted to Rp982,021 million continued to be classified under non-current liabilities as at 31 December 2023.

As at 31 December 2023, management was of the opinion that the foregoing banks would continue to support the subsidiary notwithstanding the non-compliance with the financial ratio covenants, which was technical in nature, and moreover, there were no loan repayment default by the subsidiary for the related loans.

## 26. Loans and borrowings (Continued)

## 26.2 Reconciliation of liabilities arising from financing activities

A reconciliation of liabilities arising from financing activities is as follows:

|                   | Cash flows                      |                                       |                          | Non-cash changes                        |                                             |                                                | Reclassification as disposal group held for sale |                              |
|-------------------|---------------------------------|---------------------------------------|--------------------------|-----------------------------------------|---------------------------------------------|------------------------------------------------|--------------------------------------------------|------------------------------|
|                   | Beginning balance<br>Rp'million | Proceeds <sup>(1)</sup><br>Rp'million | Repayments<br>Rp'million | Foreign exchange movement<br>Rp'million | Non-cash items <sup>(2)</sup><br>Rp'million | Additions of right-of-use assets<br>Rp'million | Rp'million                                       | Ending balance<br>Rp'million |
| <b>Group 2024</b> |                                 |                                       |                          |                                         |                                             |                                                |                                                  |                              |
| Short-term loans  | 1,936,060                       | 6,431,876                             | (6,097,915)              | 36,738                                  | 15,032                                      | -                                              | (2,321,791)                                      | -                            |
| Long-term loan    | 924,398                         | 363,944                               | (409,085)                | 69,221                                  | -                                           | -                                              | (948,478)                                        | -                            |
| Medium-term notes | 137,496                         | -                                     | -                        | 4,476                                   | -                                           | -                                              | (141,972)                                        | -                            |
| Bank overdraft    | 73,904                          | 91,180                                | (90,155)                 | -                                       | -                                           | -                                              | (74,929)                                         | -                            |
|                   | 3,071,858                       | 6,887,000                             | (6,597,155)              | 110,435                                 | 15,032                                      | -                                              | (3,487,170)                                      | -                            |
| Lease liabilities | 21,761                          | -                                     | (18,371)                 | 57                                      | -                                           | 19,600                                         | (23,047)                                         | -                            |
|                   | 3,093,619                       | 6,887,000                             | (6,615,526)              | 110,492                                 | 15,032                                      | 19,600                                         | (3,510,217)                                      | -                            |

(1) The proceeds of interest-bearing bank loans net of transaction costs of Rp12,829 million.

(2) Mainly relates to amortisation of deferred transaction costs and interests.



## 26. Loans and borrowings (Continued)

## 26.2 Reconciliation of liabilities arising from financing activities (Continued)

A reconciliation of liabilities arising from financing activities is as follows: (Continued)

|                   | Cash flows                      |                                       |                          | Non-cash changes                        |                                             |                                                |
|-------------------|---------------------------------|---------------------------------------|--------------------------|-----------------------------------------|---------------------------------------------|------------------------------------------------|
|                   | Beginning balance<br>Rp'million | Proceeds <sup>(1)</sup><br>Rp'million | Repayments<br>Rp'million | Foreign exchange movement<br>Rp'million | Non-cash items <sup>(2)</sup><br>Rp'million | Additions of right-of-use assets<br>Rp'million |
| <b>Group</b>      |                                 |                                       |                          |                                         |                                             |                                                |
| <b>2023</b>       |                                 |                                       |                          |                                         |                                             |                                                |
| Short-term loans  | 1,728,412                       | 5,615,707                             | (5,413,908)              | (9,254)                                 | 15,103                                      | -                                              |
| Long-term loan    | 482,517                         | 646,484                               | (188,351)                | (16,252)                                | -                                           | -                                              |
| Medium-term notes | 76,766                          | 137,496                               | (76,248)                 | (945)                                   | 427                                         | -                                              |
| Bank overdraft    | 74,015                          | 178,637                               | (178,748)                | -                                       | -                                           | -                                              |
|                   | 2,361,710                       | 6,578,324                             | (5,857,255)              | (26,451)                                | 15,530                                      | -                                              |
| Lease liabilities | 20,228                          | -                                     | (10,762)                 | (4,178)                                 | -                                           | 16,473                                         |
|                   | 2,381,938                       | 6,578,324                             | (5,868,017)              | (30,629)                                | 15,530                                      | 16,473                                         |
|                   |                                 |                                       |                          |                                         |                                             | 3,093,619                                      |

(1) The proceeds of interest-bearing bank loans net of transaction costs of Rp11,065 million.

(2) Mainly relates to amortisation of deferred transaction costs and interests.

**27. Post-employment benefits**

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit pension plan is as follows:

|                                       | <b>Group</b>      |                   |
|---------------------------------------|-------------------|-------------------|
|                                       | <b>2024</b>       | <b>2023</b>       |
|                                       | <b>Rp'million</b> | <b>Rp'million</b> |
| Post-employment benefits liabilities: |                   |                   |
| Current portion (Note 24)             | -                 | 58,962            |
| Non-current portion                   | -                 | 239,517           |
|                                       | -                 | 298,479           |

As at 31 December 2024, the Group's post-employment benefits liabilities are included in the total liabilities directly associated with the disposal group classified as held for sale as disclosed in Note 10 to the financial statements.

The Group calculates and records post-employment benefits for its qualified employees based on Indonesia Labour Law No. 11/2020 concerning Job Creation. As at 31 December 2024, the number of employees entitled to the post-employment benefits was 5,756 (2023: 6,664).

The Group also has a defined contribution pension plan that covers certain permanent employees. This defined contribution pension plan is managed and administered by Dana Pensiun Manulife Indonesia which was established by the Group to manage the assets, generate investment income and pay the post-employment benefits to the employees.

The cost of the defined benefit pension plan and the present value of the pension obligation are calculated using actuarial valuation determined by an independent actuary. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, inflation rate, future salary increases, mortality rates and future pension increases.

**27. Post-employment benefits (Continued)**

The following tables summarise the components of provision for post-employment benefits included in the consolidated statement of financial position:

|                                                             | <b>Group</b>      |                   |
|-------------------------------------------------------------|-------------------|-------------------|
|                                                             | <b>2024</b>       | <b>2023</b>       |
|                                                             | <b>Rp'million</b> | <b>Rp'million</b> |
| <u>Post-employment benefits liabilities</u>                 |                   |                   |
| At 1 January                                                | 298,479           | 249,084           |
| Post-employment benefits expense (see below)                | 40,504            | 37,090            |
| Actual payments during the financial year:                  |                   |                   |
| Employees                                                   | (65,712)          | (47,614)          |
| Actuarial (gain)/loss during the financial year (see below) | (12,897)          | 59,919            |
| Reclassification as disposal group held for sale (Note 10)  | (260,374)         | -                 |
| At 31 December                                              | -                 | 298,479           |

The following table summarises the components of provision for post-employment benefits included in the consolidated income statement:

|                                         | <b>Group</b>      |                   |
|-----------------------------------------|-------------------|-------------------|
|                                         | <b>2024</b>       | <b>2023</b>       |
|                                         | <b>Rp'million</b> | <b>Rp'million</b> |
| <u>Post-employment benefits expense</u> |                   |                   |
| Current service costs                   | 24,521            | 23,047            |
| Interest costs                          | 15,983            | 14,043            |
|                                         | 40,504            | 37,090            |

The following table summarises the re-measurements, comprising of actuarial gains/losses, recognised in other comprehensive income:

|                                                                   | <b>Group</b>      |                   |
|-------------------------------------------------------------------|-------------------|-------------------|
|                                                                   | <b>2024</b>       | <b>2023</b>       |
|                                                                   | <b>Rp'million</b> | <b>Rp'million</b> |
| Actuarial (gain)/loss during the financial year before income tax | (12,897)          | 59,919            |
| Tax charge/(credit)                                               | 2,838             | (11,745)          |
| Actuarial (gain)/loss during the financial year, net of tax       | (10,059)          | 48,174            |

## 27. Post-employment benefits (Continued)

The cost of providing post-employment benefits is calculated by an independent actuary, using the following key assumptions:

|                                            | Group         |               |
|--------------------------------------------|---------------|---------------|
|                                            | 2024          | 2023          |
|                                            | Rp'million    | Rp'million    |
| Discount rate per annum                    | 7.07% – 7.14% | 6.60% – 6.91% |
| Mortality table*                           | TMI IV – 2019 | TMI IV – 2019 |
| Rate of increase in compensation per annum | 8%            | 8%            |
| Retirement age                             | 55 years old  | 55 years old  |

\* TMI IV – 2019 refers to the Table of Mortality in Indonesia.

The sensitivity analysis below has been determined based on reasonably possible changes of the below key assumption on the post-employment benefits at the end of the reporting period, assuming if all other assumptions are held constant.

|                                                                                  | Present value of obligations |            | Current service costs |            |
|----------------------------------------------------------------------------------|------------------------------|------------|-----------------------|------------|
|                                                                                  | 2024                         | 2023       | 2024                  | 2023       |
|                                                                                  | Rp'million                   | Rp'million | Rp'million            | Rp'million |
| As reported using discount rate of 7.07% – 7.14% (2023: 6.60% – 6.91%) per annum | 260,374                      | 298,479    | 40,504                | 37,090     |
| Increase by 100 basis points                                                     | 283,400                      | 282,896    | 22,643                | 23,047     |
| Decrease by 100 basis points                                                     | 245,178                      | 322,061    | 22,643                | 23,047     |

**28. Share capital**

|                              | Group and Company               |            |                                 |            |
|------------------------------|---------------------------------|------------|---------------------------------|------------|
|                              | 2024                            |            | 2023                            |            |
|                              | Number of<br>ordinary<br>shares | Rp'million | Number of<br>ordinary<br>shares | Rp'million |
| <b>Issued and fully paid</b> |                                 |            |                                 |            |
| At 1 January                 | 2,408,171,095                   | 545,713    | 2,408,171,095                   | 545,713    |
| Issuance of new shares       | 6,238,236,973                   | 219,736    | -                               | -          |
| At 31 December               | 8,646,408,068                   | 765,449    | 2,408,171,095                   | 545,713    |

During the previous financial year, the Company undertook a renounceable non-underwritten rights issue of up to 7,224,513,285 new ordinary shares in the capital of the Company at an issue price of S\$0.003 for each rights share on the basis of 3 rights shares for every 1 existing ordinary share held by entitled shareholders. Pursuant to the rights issue, an aggregate of 6,238,236,973 rights shares have been allotted and issued on 4 January 2024 with the total rights issue proceeds of approximately Rp219,736 million. Following the allotment and issuance of the rights shares, the number of issued and paid-up shares in the Company has increased from 2,408,171,095 to 8,646,408,068 shares.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

**29. Other reserves and non-controlling interests****29.1 Other reserves**

The following table summarises the movement in the Company's other reserves.

|                                             | Company            |                    |
|---------------------------------------------|--------------------|--------------------|
|                                             | 2024<br>Rp'million | 2023<br>Rp'million |
| <b>Foreign currency translation reserve</b> |                    |                    |
| At 1 January                                | (10,994)           | (17,260)           |
| Exchange differences on translation         | (6,258)            | 6,266              |
| At 31 December                              | (17,252)           | (10,994)           |

**29. Other reserves and non-controlling interests (Continued)****29.1 Other reserves (Continued)**Restructuring reserve

Restructuring reserve of the Group represents the difference between the nominal value of shares issued in exchange for the nominal value of shares and reserves of subsidiaries acquired under common control, in accordance with the principles of merger accounting.

Premium paid on acquisition of non-controlling interests

Premium paid on acquisition of non-controlling interest of the Group represents the difference between the consideration paid and the nominal value of shares and reserves acquired.

Performance Share Plan ("PSP") reserve

PSP reserve represents the equity-settled share awards granted to employees under the Samko Timber Performance Share Plan (the "Samko PSP"). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share awards, and is reduced by the expiry or release of the share awards.

On 29 August 2018, the Company had granted 21,653,058 of share awards ("2018 Awards") under the Samko PSP to Riko Setyabudhy Handoko, Executive Director and Chief Executive Officer of the Company (the "CEO") for his performance from 2016 to 2018, subject to certain vesting periods as disclosed below.

**Group/Company**2018 awards

- Vest on 29 August 2018
- Vest on 27 June 2020
- Vest on 27 June 2021

**Number  
of share  
awards**

3,100,000

7,685,778

10,867,280

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21,653,058

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**29. Other reserves and non-controlling interests (Continued)****29.1 Other reserves (Continued)**Performance Share Plan ("PSP") reserve (Continued)

On 13 September 2019, the Company had granted an additional 12,467,532 of share awards ("2019 Awards") under the Samko PSP to the CEO for his performance in 2019, subject to the vesting period as disclosed below.

| <b>Group/Company</b>   | <b>Number of share awards</b> |
|------------------------|-------------------------------|
| <u>2019 awards</u>     |                               |
| - Vest on 27 June 2022 | <u>12,467,532</u>             |

No share awards were granted during the financial year. No outstanding share awards at the end of the reporting date.

*Fair value measurement*

The fair value of the PSP granted was estimated by management using the last traded price as at the date of grant less the present value of expected dividend during the vesting period as a valuation basis.

The relevant inputs to the fair value model and the fair value of the share awards determined as at the date of grant are shown below.

|                                     | <b>2019 award</b> | <b>2018 award</b> |
|-------------------------------------|-------------------|-------------------|
| Dividend yield (%)                  | Nil               | Nil               |
| Expected volatility (%)             | Nil               | Nil               |
| Last traded share price (S\$ cents) | 0.020             | 0.020             |
| Last traded share price             | <u>(Rp209)</u>    | <u>(Rp209)</u>    |

**29. Other reserves and non-controlling interests (Continued)****29.1 Other reserves (Continued)**Foreign currency translation reserve

Foreign currency translation reserve of the Group/Company represents exchange differences arising from the translation of the financial statements of the group entities' operations whose functional currencies are different from that of the Group's presentation currency.

Movements in the foreign currency translation reserve of the Group during the financial year are disclosed in the Group's consolidated statement of changes in equity.

**29.2 Non-controlling interests**

Movements in the non-controlling interests during the financial year are disclosed in the Group's consolidated statement of changes in equity.

The Group has the following subsidiary that has material non-controlling interests ("NCI") at the end of the reporting period:

| Name of subsidiary                           | Proportion of ownership interest and voting rights held by NCI | Profit/(Loss) allocated to NCI | Other comprehensive income allocated to NCI | Accumulated NCI |
|----------------------------------------------|----------------------------------------------------------------|--------------------------------|---------------------------------------------|-----------------|
|                                              |                                                                | Rp'million                     | Rp'million                                  | Rp'million      |
| 2024                                         |                                                                |                                |                                             |                 |
| PT Sumber Graha Maluku and its subsidiaries* | 49%                                                            | (67,474)                       | (237)                                       | 306,631         |
| 2023                                         |                                                                |                                |                                             |                 |
| PT Sumber Graha Maluku and its subsidiaries* | 49%                                                            | 51,960                         | 38                                          | 371,551         |

\* Group entities refer to Note 13.



**29. Other reserves and non-controlling interests (Continued)****29.2 Non-controlling interests (Continued)**

Summarised consolidated financial information in respect of PT Sumber Graha Maluku and its subsidiaries is set out as below. The summarised financial information below represents amounts before intragroup elimination.

|                                                                      | 2024<br>Rp'million | 2023<br>Rp'million |
|----------------------------------------------------------------------|--------------------|--------------------|
| Non-current assets                                                   | 2,446,756          | 2,092,246          |
| Current assets                                                       | 227,128            | 195,730            |
| Non-current liabilities                                              | (1,131,696)        | (1,044,624)        |
| Current liabilities                                                  | (916,942)          | (470,147)          |
| Equity attributable to equity holder of the Company                  | 318,615            | 401,654            |
| Non-controlling interests                                            | 306,631            | 371,551            |
| Revenue                                                              | 118,459            | -                  |
| (Loss)/Profit and other comprehensive income for the financial year  | (137,593)          | 89,822             |
| (Loss)/Profit and other comprehensive income for the financial year: |                    |                    |
| Allocated to the equity holder of the Company                        | (70,172)           | 45,809             |
| Allocated to NCI                                                     | (67,421)           | 44,013             |
|                                                                      | (137,593)          | 89,822             |
| Net cash flows generated from operating activities                   | 16,415             | 144,919            |
| Net cash flows used in investing activities                          | (302,627)          | (750,647)          |
| Net cash flows generated from financing activities                   | 296,064            | 621,161            |
| Net cash inflow                                                      | 9,852              | 15,433             |

**30. Leases**The Group as a lessee**30.1 Nature of the Group's leasing activities**

The Group has entered into leases of buildings in respect of its offices in Indonesia and Singapore. The Group also leases machinery and heavy equipment and vehicles for its manufacturing division. These leases do not have extension options. The Group is prohibited from selling, pledging or sub-leasing the underlying leased assets, and is required to maintain the assets in good condition.

## 30. Leases (Continued)

### The Group as a lessee (Continued)

#### 30.2 Carrying amount of right-of-use assets

|                               | Group      |            |
|-------------------------------|------------|------------|
|                               | 2024       | 2023       |
|                               | Rp'million | Rp'million |
| Buildings                     | -          | 12,405     |
| Machinery and heavy equipment | -          | 9,486      |
| Vehicles                      | -          | 4,623      |
|                               | -          | 26,514     |

The additions of right-of-use assets during the financial year are as below.

|                               | Group      |            |
|-------------------------------|------------|------------|
|                               | 2024       | 2023       |
|                               | Rp'million | Rp'million |
| Buildings                     | -          | 3,359      |
| Machinery and heavy equipment | -          | 9,737      |
| Vehicles                      | -          | 3,377      |
|                               | -          | 16,473     |

#### 30.3 Lease liabilities

|                                                                                                 | Group      |            |
|-------------------------------------------------------------------------------------------------|------------|------------|
|                                                                                                 | 2024       | 2023       |
|                                                                                                 | Rp'million | Rp'million |
| <u>Current</u>                                                                                  |            |            |
| Lease liabilities                                                                               | -          | 13,027     |
| <u>Non-current</u>                                                                              |            |            |
| Lease liabilities                                                                               | -          | 8,734      |
|                                                                                                 | -          | 21,761     |
| Balances denominated in currencies of which have exposure to foreign currency risk (Note 32.2): |            |            |
| United States Dollar                                                                            | -          | 1,627      |

**30. Leases (Continued)**The Group as a lessee (Continued)**30.4 Total cash outflow**

The Group has total cash outflow for payment of lease liabilities – principal portion of Rp18,371 million (2023: Rp10,762 million) and payment of short-term leases expense of Rp3,514 million (2023: Rp3,293 million) during the financial year.

**31. Significant related party transactions**

In addition to the related party information disclosed elsewhere in the financial statements, the Group entered into transactions with related parties who are not members of the Group during the financial year, on terms agreed between the parties, as shown below.

|                                                               | Group<br>2024<br>Rp'million | 2023<br>Rp'million |
|---------------------------------------------------------------|-----------------------------|--------------------|
| Office rental paid/payable to<br>PT Sampoerna Land            | 7,377                       | 7,411              |
| Interest expense paid/payable to<br>PT Bank Sahabat Sampoerna | 7,955                       | 9,463              |

PT Sampoerna Land and PT Bank Sahabat Sampoerna are controlled by the Sampoerna family, which are related to a substantial shareholder of the Company.

Compensation of Directors and key management personnel

The remuneration of the Directors and key management personnel of the Group during the financial year are as follows:

|                                                              | Group<br>2024<br>Rp'million | 2023<br>Rp'million |
|--------------------------------------------------------------|-----------------------------|--------------------|
| Director fees                                                | 3,484                       | 3,353              |
| Short-term employee benefits                                 | 35,747                      | 39,289             |
| Defined contribution plan benefits                           | 206                         | 177                |
|                                                              | 39,437                      | 42,819             |
| Comprise amount paid/payable to:<br>Directors of the Company | 17,148                      | 18,079             |
| Other key management personnel                               | 22,289                      | 24,740             |
|                                                              | 39,437                      | 42,819             |

## 31. Significant related party transactions (Continued)

### Corporate guarantees

At the reporting date, the Company has granted corporate guarantees to banks for the Group's interest-bearing loans totaling Rp1,763,740 million (2023: Rp1,287,757 million). These corporate guarantees executed by the Company have not been recorded at fair value, as in the view of the management, the difference in the interest rates, by comparing the actual rates charged by the banks with these corporate guarantees made available, with the estimated rates that the banks would have charged had those corporate guarantees not been made available, is not material.

Following the completion of the Sale Subsidiaries on 27 March 2025 as disclosed in Note 10, the Company is in the midst of changing the corporate guarantees to its immediate holding company, Sampoerna Forestry Limited. Further, Sampoerna Forestry Limited has provided undertaking to assume and take-over any and all obligations, liabilities and responsibilities of the Company relating to the corporate guarantees commencing from 27 March 2025 until Sampoerna Forestry Limited has issued its corporate guarantees to the respective banks. Thus, the Group does not expect significant credit losses arising from these corporate guarantees.

## 32. Financial instruments and financial risks

### Financial risk management objectives and policies

The Group is exposed to financial risks arising from its continuing operations and the use of financial instruments. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer, Head of Treasury and Head of Credit Control. The Audit Committee provides independent oversight to the effectiveness of the risk management process. These risks include credit risk, foreign currency risk, interest rate risk and liquidity risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

**32. Financial instruments and financial risks (Continued)****Financial risk management objectives and policies (Continued)****32.1 Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group generally does not require collateral. The Group reviews the recoverable amount of each trade receivable and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts.

At the reporting date, the Group does not have significant credit risk exposure to any individual customer's balance of trade receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings. The Group's maximum exposure to credit risk arises from the carrying amount of the respective recognised financial assets as present on the consolidated statement of financial position. In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks provided by the Group. The Group's maximum exposure in this respect is the maximum amount the Group is liable to pay if the guarantees are called on as disclosed in Note 32.4.

*Trade receivables*

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are grouped based on their shared credit risk characteristics and numbers of days past due. The expected credit losses on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Further details on the loss allowance of the Group's credit risk exposure in relation to trade receivables are disclosed in Note 19.

**32. Financial instruments and financial risks (Continued)****Financial risk management objectives and policies (Continued)****32.1 Credit risk (Continued)***Cash and bank balances and other financial assets*

The cash and bank balances are entered into with banks and financial institutions that have high credit-ratings.

Impairment on cash and bank balances and other financial assets has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances and other financial assets have low credit risk based on the external credit ratings of the counterparties. The amount of the loss allowances on cash and bank balances and other financial assets was insignificant except for the other receivables as disclosed in Note 19.

*Corporate guarantees*

The Company has issued corporate guarantees to banks for its subsidiaries' bank borrowings. The Company does not expect significant credit losses arising from these corporate guarantees as disclosed in Note 31.

*Credit risk grading guideline*

The Group's management assesses the default risk of debtors using the following internal credit risk grading system:

| Internal credit risk rating grades | Definition                                                                                                                        | Basis of recognition of expected credit loss (ECL) |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| i. Performing                      | The counterparty has a low risk of default and does not have any past-due amounts.                                                | 12-month ECL                                       |
| ii. Under-performing               | There has been a significant increase in credit risk since initial recognition.                                                   | Lifetime ECL (not credit-impaired)                 |
| iii. Non-performing                | There is evidence indicating that the asset is credit-impaired.                                                                   | Lifetime ECL (credit impaired)                     |
| iv. Write-off                      | There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty. | Asset is written off                               |

**32. Financial instruments and financial risks (Continued)****Financial risk management objectives and policies (Continued)****32.1 Credit risk (Continued)***Credit risk exposure*

The credit quality of the Group's financial assets, as well as maximum exposure to credit risk by internal rating grades is presented as follows:

|                              | Internal<br>credit risk<br>rating | ECL                          | Gross<br>carrying<br>amount<br>Rp'million | Loss<br>allowance<br>Rp'million | Net<br>carrying<br>amount<br>Rp'million |
|------------------------------|-----------------------------------|------------------------------|-------------------------------------------|---------------------------------|-----------------------------------------|
| <b>Group</b>                 |                                   |                              |                                           |                                 |                                         |
| <b>2024</b>                  |                                   |                              |                                           |                                 |                                         |
| Trade receivables            | Note 1                            | Lifetime ECL<br>(Simplified) | -                                         | -                               | -                                       |
| Other receivables            | Performing                        | 12-month ECL                 | -                                         | -                               | -                                       |
| Cash at banks<br>and on hand | Performing                        | N.A. - exposure<br>limited   | 506                                       | -                               | 506                                     |
| <b>2023</b>                  |                                   |                              |                                           |                                 |                                         |
| Trade receivables            | Note 1                            | Lifetime ECL<br>(Simplified) | 230,236                                   | (36,933)                        | 193,303                                 |
| Other receivables            | Performing                        | 12-month ECL                 | 16,630                                    | -                               | 16,630                                  |
| Cash at banks<br>and on hand | Performing                        | N.A. - exposure<br>limited   | 30,372                                    | -                               | 30,372                                  |

The credit quality of the Company's financial assets, as well as maximum exposure to credit risk by internal rating grades is presented as follows:

|                              | Internal<br>credit risk<br>rating | ECL                          | Gross<br>carrying<br>amount<br>Rp'million | Loss<br>allowance<br>Rp'million | Net<br>carrying<br>amount<br>Rp'million |
|------------------------------|-----------------------------------|------------------------------|-------------------------------------------|---------------------------------|-----------------------------------------|
| <b>Company</b>               |                                   |                              |                                           |                                 |                                         |
| <b>2024</b>                  |                                   |                              |                                           |                                 |                                         |
| Trade receivables            | Note 1                            | Lifetime ECL<br>(Simplified) | -                                         | -                               | -                                       |
| Other receivables            | Performing                        | 12-month ECL                 | -                                         | -                               | -                                       |
| Cash at banks<br>and on hand | Performing                        | N.A. - exposure<br>limited   | 309                                       | -                               | 309                                     |
| <b>2023</b>                  |                                   |                              |                                           |                                 |                                         |
| Trade receivables            | Note 1                            | Lifetime ECL<br>(Simplified) | -                                         | -                               | -                                       |
| Other receivables            | Performing                        | 12-month ECL                 | -                                         | -                               | -                                       |
| Cash at banks<br>and on hand | Performing                        | N.A. - exposure<br>limited   | 215                                       | -                               | 215                                     |

Note 1 - The Group and the Company have applied the simplified approach to measure the loss allowance based on lifetime ECL. The details of the loss allowances for these financial assets are disclosed in Note 19.

**32. Financial instruments and financial risks (Continued)**Financial risk management objectives and policies (Continued)**32.2 Foreign currency risk**

The Group has transactional currencies exposures arising from sales and purchases, cash and bank balances, and loans and borrowings denominated in currencies other than the functional currencies of the entities of the Group. The Group's trade receivable and trade payable balances at the reporting date have similar exposure. The foreign currency in which the Group's transactions are denominated and have exposure to foreign currency risk is primarily the United States Dollar ("US\$").

The carrying amounts of the Group's significant monetary assets and monetary liabilities, denominated in currencies other than the functional currency of the entities in which these assets/liabilities are held at the reporting date are disclosed in the respective notes in the financial statements.

*Sensitivity analysis*

The following table demonstrates the sensitivity of the Group's loss after tax to reasonably possible changes in the US\$ against Indonesia Rupiah ("Rp") exchange rate against US\$ with all other variables including tax being held constant:

|                              | <b>Group</b>          |                   |
|------------------------------|-----------------------|-------------------|
|                              | <b>Loss after tax</b> |                   |
|                              | <b>2024</b>           | <b>2023</b>       |
|                              | <b>Rp'million</b>     | <b>Rp'million</b> |
| (Decrease)/Increase by:      |                       |                   |
| US\$/Rp - strengthened by 2% |                       |                   |
| (2023: 2%)                   | *                     | (34,408)          |
| US\$/Rp - weakened by 2%     |                       |                   |
| (2023: 2%)                   | *                     | 34,408            |

\* The Group's exposure to foreign currency risk is insignificant.

Management considers the Company has no significant exposure to foreign currency risk.



**32. Financial instruments and financial risks (Continued)****Financial risk management objectives and policies (Continued)****32.3 Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's/Company's exposure to interest rates risk arises primarily from their loans and borrowings and cash at banks. The Group's/Company's policy is to manage interest cost by maintaining an appropriate mix of fixed and floating rate borrowings. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of the upward change in interest rate while enabling benefits to be enjoyed if interest rates fall.

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. Surplus funds are placed with reputable banks and financial institutions which generate interest income for the Group.

A fundamental financial industry reform of interest rate benchmarks is being undertaken globally, including cessation and replacement of interbank offered rates ("LIBORs") with alternative nearly risk-free rates (referred to as "interest rate benchmark reform"). The Group's interest rate risk that is directly affected by the interest rate benchmark reform predominantly comprises its variable rate borrowings. As at 31 December 2023, the Group has variable rate borrowings that are indexed to LIBOR as disclosed in Note 26. The borrowing contracts which maturing after the cessation of interbank offered rates ("IBORs") publication include a fallback clause that deals with the cessation and replacement of the existing IBORs to other index benchmark and/or other bank rates.

## 32. Financial instruments and financial risks (Continued)

### Financial risk management objectives and policies (Continued)

#### 32.3 Interest rate risk (Continued)

##### *Sensitivity analysis*

The Group's bank borrowings interest rates are mainly floating rates. As at 31 December 2023, if the bank borrowings interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's loss after tax would increase/decrease by Rp30,936 million.

Management considers the Company has no significant exposure to interest rate risk.

#### 32.4 Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's/Company's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and financial liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings and advances from related parties, where required.

As at 31 December 2023, approximately 62% of the Group's loans and borrowings (Note 26) would be due in less than one year. The Group would continue to monitor and address this risk by monitoring liquidity ratios (including projecting cash flow) and maintaining debt financing plans. Management believed the access to sources of funding is sufficiently available.

**32. Financial instruments and financial risks (Continued)****Financial risk management objectives and policies (Continued)****32.4 Liquidity risk (Continued)**

The table below summarises the maturity profile of the Group's and Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

|                          | Carrying<br>amount<br>Rp'million | Within<br>one year<br>Rp'million | Within<br>two years<br>and five<br>years<br>Rp'million | Total<br>contractual<br>cash flow<br>Rp'million |
|--------------------------|----------------------------------|----------------------------------|--------------------------------------------------------|-------------------------------------------------|
| <b>Group</b>             |                                  |                                  |                                                        |                                                 |
| <b>2024</b>              |                                  |                                  |                                                        |                                                 |
| Trade and other payables | 121                              | 121                              | -                                                      | 121                                             |
| Other liabilities        | 6,403                            | 6,403                            | -                                                      | 6,403                                           |
|                          | 6,524                            | 6,524                            | -                                                      | 6,524                                           |
| <b>2023</b>              |                                  |                                  |                                                        |                                                 |
| Trade and other payables | 994,038                          | 994,038                          | -                                                      | 994,038                                         |
| Other liabilities        | 62,605                           | 62,605                           | -                                                      | 62,605                                          |
| Loans and borrowings     | 3,071,858                        | 2,000,729                        | 1,276,026                                              | 3,276,755                                       |
| Lease liabilities        | 21,761                           | 14,280                           | 9,503                                                  | 23,783                                          |
|                          | 4,150,262                        | 3,071,652                        | 1,285,529                                              | 4,357,181                                       |
| <b>Company</b>           |                                  |                                  |                                                        |                                                 |
| <b>2024</b>              |                                  |                                  |                                                        |                                                 |
| Trade and other payables | 3,200                            | 3,200                            | -                                                      | 3,200                                           |
| Other liabilities        | 9,291                            | 9,291                            | -                                                      | 9,291                                           |
| Corporate guarantees     | -                                | 1,763,740                        | -                                                      | 1,763,740                                       |
|                          | 12,491                           | 1,776,231                        | -                                                      | 1,776,231                                       |
| <b>2023</b>              |                                  |                                  |                                                        |                                                 |
| Trade and other payables | 191,422                          | 191,422                          | -                                                      | 191,422                                         |
| Other liabilities        | 287,445                          | 2,633                            | 284,812                                                | 287,445                                         |
| Corporate guarantees     | -                                | 1,287,757                        | -                                                      | 1,287,757                                       |
|                          | 478,867                          | 1,481,812                        | 284,812                                                | 1,766,624                                       |

**32. Financial instruments and financial risks (Continued)**Financial risk management objectives and policies (Continued)**32.4 Liquidity risk (Continued)***Corporate guarantees*

The maximum amount of the financial guarantee contracts is allocated to the earliest period in which the guarantee could be called. The amount for financial guarantee contracts is the maximum amount the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on management's expectation at the end of the reporting period, the Company considers that it is not likely that such an amount will be payable under the arrangement.

*Derivative financial instruments*

The table below details the liquidity analysis for derivative financial instruments of the Group at the end of the reporting period. The table has been drawn up based on undiscounted gross inflows and (outflows) on those derivatives that require gross settlement.

|                                               | Gross<br>inflows<br>Rp'million | Gross<br>outflows<br>Rp'million | Unrealised<br>fair value<br>(loss)/gain<br>Rp'million |
|-----------------------------------------------|--------------------------------|---------------------------------|-------------------------------------------------------|
| <b>Group</b>                                  |                                |                                 |                                                       |
| <b>2024</b>                                   |                                |                                 |                                                       |
| Foreign exchange forward<br>contracts – gross | -                              | -                               | -                                                     |
| <b>2023</b>                                   |                                |                                 |                                                       |
| Foreign exchange forward<br>contracts – gross | -                              | (91,365)                        | -                                                     |

**33. Capital risk management**

The primary objective of the Group's capital management is to ensure it maintains healthy capital ratios in order to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2023.

Management reviews the capital structure of the Group and makes adjustment to it, in light of changes in economic conditions. Management considers the cost of capital and the risks associated with each class of capital. The Group monitors capital using gearing ratio. The Group's debt comprises loans and borrowings (including lease liabilities). Capital includes all capital and reserves of the Group that are managed as capital.

It is not meaningful to disclose the net debt to capital ratio as the Group is currently in capital deficiency position.

**34. Fair value measurement***Fair value hierarchy*

The Group categories fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs for the asset or liability.

The following table gives information about how the fair values are determined:

|                             | (Level 1)<br>Rp'million | (Level 2)<br>Rp'million | (Level 3)<br>Rp'million | Total<br>Rp'million |
|-----------------------------|-------------------------|-------------------------|-------------------------|---------------------|
| <b>Group</b>                |                         |                         |                         |                     |
| <b>2024</b>                 |                         |                         |                         |                     |
| <u>Non-financial assets</u> |                         |                         |                         |                     |
| Biological assets           | -                       | -                       | 660,085                 | 660,085             |
| <b>2023</b>                 |                         |                         |                         |                     |
| <u>Non-financial assets</u> |                         |                         |                         |                     |
| Biological assets           | -                       | -                       | 641,227                 | 641,227             |

**34. Fair value measurement (Continued)***Fair value hierarchy (Continued)*Level 3 fair value measurements*Biological assets – Standing Timber*

| Valuation technique   | Significant unobservable inputs                                                                                                                                                                               | Relationship of unobservable inputs to fair value                              |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Discounted cash flows | <u>Market prices</u><br><ul style="list-style-type: none"> <li>Estimated future timber market price per m<sup>3</sup> in Jambi and Jasinga – weighted average price of Rp922,973 (2023: Rp922,973)</li> </ul> | <u>Market prices</u><br>The lower the market prices, the lower the fair value  |
|                       | <u>Yield</u><br><ul style="list-style-type: none"> <li>Estimated future timber market price per m<sup>3</sup> in Maluku – weighted average price of Rp567,867 (2023: Rp642,149)</li> </ul>                    | <u>Yield</u><br>The lower the yield, the lower the fair value                  |
|                       | <u>Yield</u><br><ul style="list-style-type: none"> <li>Estimated yield per hectare in Jambi and Jasinga – weighted average yield of 65 m<sup>3</sup> (2023: 65 m<sup>3</sup>)</li> </ul>                      | <u>Yield</u><br>The lower the yield, the lower the fair value                  |
|                       | <u>Yield</u><br><ul style="list-style-type: none"> <li>Estimated yield per hectare in Maluku – weighted average yield of 117 m<sup>3</sup> (2023: 119 m<sup>3</sup>)</li> </ul>                               | <u>Yield</u><br>The lower the yield, the lower the fair value                  |
|                       | <u>Discount rate</u><br><ul style="list-style-type: none"> <li>To agree Discount rate of 9.69% – 9.71% (2023: 10.00% – 10.06%)</li> </ul>                                                                     | <u>Discount rate</u><br>The higher the discount rate, the lower the fair value |
|                       |                                                                                                                                                                                                               |                                                                                |

**34. Fair value measurement (Continued)***Fair value hierarchy (Continued)*Level 3 fair value measurements (Continued)*Biological assets – Standing Timber (Continued)*

For biological assets, a significant increase/(decrease) in the discount rate would result in a significantly lower/(higher) fair value measurement. The table below shows the impact on the Level 3 fair value measurement of biological assets that are sensitive to changes in the discount rate that reflects reasonably possible alternative assumption. The positive and negative effects are approximately the same.

|                | 2024                          |                                                                                      | 2023                          |                                                                                      |
|----------------|-------------------------------|--------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------------------|
|                | Carrying amount<br>Rp'million | Effect of reasonably possible alternative assumption to profit or loss<br>Rp'million | Carrying amount<br>Rp'million | Effect of reasonably possible alternative assumption to profit or loss<br>Rp'million |
| <b>Group</b>   |                               |                                                                                      |                               |                                                                                      |
| Increase by 1% | 564,443                       | (20,161)                                                                             | 619,405                       | (21,549)                                                                             |
| Decrease by 1% | 605,789                       | 21,185                                                                               | 663,660                       | 22,705                                                                               |

In order to determine the effects of the above reasonably possible alternative assumption, the Group adjusted the key unobservable input, used in the fair value measurement, by adjusting the discount rate by increasing and decreasing the assumption by 1% (2023: 1%).

There were no transfers between level 1, 2 and 3 during the financial years ended 31 December 2024 and 2023.

## 34. Fair value measurement (Continued)

### *Fair value hierarchy (Continued)*

#### Level 3 fair value measurements (Continued)

##### *Valuation policies and procedures*

The significant non-financial assets of the Group categorised within Level 3 of the fair value hierarchy is biological assets. The fair value of biological assets is determined by external independent valuers who have the appropriate and recognised professional qualifications and experience in the biological assets being valued. The valuers provide the fair value of the Group's biological assets annually. The valuation and its financial impact are discussed with the Audit Committee and the Board of Directors of the Company in accordance with the Group's reporting policies.

Management has determined that the carrying amounts of cash at banks and on hand, other financial assets and financial liabilities carried at amortised costs and loans and borrowings based on their notional amounts as disclosed in the respective notes, reasonably approximate their fair values because they are mostly short term in nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.



### 35. Segment information

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

- **SGS division** – refers to the operations of PT Sumber Graha Sejahtera group of entities. This division is 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.
- **SGM division** – refers to the operations of PT Sumber Graha Maluku group of entities. This division is principally in the business of manufacturing and sales of primary processed timber products (main) such as general plywood and wood pellet. The Group has, in stages, completed the construction of the factory buildings and infrastructures, along with the installation of machineries needed for production in Mangole project. The Group has commenced the production in stages and expects that the full production plant will be completed in the coming months.
- **ST division** – refers to the operations of Samko Timber Limited and Samko Trading Pte Ltd group of entities. This division principally trades 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.

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.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 35. Segment information (Continued)

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

|                                                              | SGS division     |                  | SGM division   |            | ST division    |                | Adjustments and eliminations |                  | Continuing operations |            | Discontinued operations |                  | Per consolidated financial statements |             |
|--------------------------------------------------------------|------------------|------------------|----------------|------------|----------------|----------------|------------------------------|------------------|-----------------------|------------|-------------------------|------------------|---------------------------------------|-------------|
|                                                              | 2024             | 2023             | 2024           | 2023       | 2024           | 2023           | 2024                         | 2023             | 2024                  | 2023       | 2024                    | 2023             | 2024                                  | 2023        |
|                                                              | Rp/million       | Rp/million       | Rp/million     | Rp/million | Rp/million     | Rp/million     | Rp/million                   | Rp/million       | Rp/million            | Rp/million | Rp/million              | Rp/million       | Rp/million                            | Rp/million  |
|                                                              | (Restated)       |                  |                |            |                |                |                              |                  |                       |            |                         |                  |                                       |             |
| <b>Revenue:</b>                                              |                  |                  |                |            |                |                |                              |                  |                       |            |                         |                  |                                       |             |
| External customers                                           | 1,156,965        | 1,450,107        | -              | -          | 918,302        | 810,665        | -                            | -                | -                     | -          | 2,075,267               | 2,260,772        | A                                     | -           |
| Inter-segment                                                | 755,421          | 781,753          | 118,459        | -          | -              | -              | (873,880)                    | (781,753)        | -                     | -          | -                       | -                | B                                     | -           |
| <b>Total revenue</b>                                         | <b>1,912,386</b> | <b>2,231,860</b> | <b>118,459</b> | <b>-</b>   | <b>918,302</b> | <b>810,665</b> | <b>(873,880)</b>             | <b>(781,753)</b> | <b>-</b>              | <b>-</b>   | <b>2,075,267</b>        | <b>2,260,772</b> |                                       |             |
| <b>Other information:</b>                                    |                  |                  |                |            |                |                |                              |                  |                       |            |                         |                  |                                       |             |
| Capital expenditure on property, plant and equipment         | 198,118          | 106,086          | 358,139        | 871,578    | -              | 164            | -                            | -                | -                     | -          | 556,257                 | 979,828          | -                                     | -           |
| Capital expenditure on right-of-use assets                   | 29               | 5,522            | 33,861         | 9,737      | -              | 1,214          | -                            | -                | -                     | -          | 33,890                  | 16,473           | -                                     | -           |
| Finance income                                               | 134              | 252              | 50             | 37         | 4              | 11             | -                            | -                | -                     | -          | 188                     | 300              | A                                     | -           |
| Finance expense                                              | (220,322)        | (188,614)        | (19,026)       | (2,103)    | (22,205)       | (15,253)       | -                            | -                | (83)                  | (75)       | (261,470)               | (205,895)        | A                                     | (83)        |
| Depreciation of property, plant and equipment                | (64,377)         | (71,740)         | (12,329)       | (2,200)    | (69)           | (446)          | -                            | -                | (1)                   | (4)        | (76,774)                | (74,382)         | A                                     | (1)         |
| Depreciation of right-of-use assets                          | (14,111)         | (8,343)          | (747)          | (747)      | (1,192)        | (2,362)        | -                            | -                | -                     | -          | (16,050)                | (11,452)         | A                                     | -           |
| Amortisation of land use rights                              | (4,780)          | (4,504)          | (537)          | (627)      | -              | (188)          | -                            | -                | -                     | -          | (5,317)                 | (5,319)          | A                                     | -           |
| Post-employment benefits expense                             | (37,619)         | (34,854)         | (4,211)        | (1,096)    | 1,326          | (1,140)        | -                            | -                | -                     | -          | (40,504)                | (37,090)         | A                                     | -           |
| Net (loss)/gain on change in fair value of biological assets | -                | (10,605)         | 18,800         | 153,075    | -              | (3,143)        | -                            | -                | -                     | -          | 18,800                  | 139,327          | A                                     | -           |
| Inventories written down to net realisable value             | (18,226)         | -                | -              | -          | (9,133)        | -              | -                            | -                | -                     | -          | (27,359)                | -                | A                                     | -           |
| Inventories written-off                                      | -                | (1,156)          | -              | -          | -              | (481)          | -                            | -                | -                     | -          | -                       | (1,637)          | A                                     | -           |
| Allowance for impairment loss of financial assets, net       | (6,858)          | -                | -              | -          | (22,835)       | (2,578)        | -                            | -                | -                     | -          | (29,693)                | (2,578)          | A                                     | -           |
| Net gain/(loss) on disposal of property, plant and equipment | 53,672           | (7,443)          | -              | 9,402      | 146            | -              | -                            | -                | -                     | -          | 53,818                  | 1,959            | A                                     | -           |
| Net foreign exchange differences                             | (32,970)         | 10,031           | (50,298)       | 9,703      | (80)           | 465            | -                            | -                | (1,780)               | 88         | (81,568)                | 20,111           | A                                     | 88          |
| Income tax expense                                           | (22,189)         | (888)            | (3,406)        | (33,439)   | (5,414)        | (824)          | -                            | -                | -                     | -          | (31,009)                | (35,151)         | A                                     | -           |
| Segment loss after tax                                       | (870,704)        | (707,171)        | (137,703)      | 106,042    | (94,883)       | (100,419)      | -                            | -                | (15,642)              | (8,516)    | (1,087,648)             | (693,032)        | A                                     | (1,103,290) |
|                                                              |                  |                  |                |            |                |                |                              |                  |                       |            |                         |                  |                                       | (701,548)   |

## 35. Segment information (Continued)

|                          | SGS division |            | SGM division |            | ST division |            | Adjustments and eliminations |             | Continuing operations |            | Discontinued operations |            | Per consolidated financial statements |            |
|--------------------------|--------------|------------|--------------|------------|-------------|------------|------------------------------|-------------|-----------------------|------------|-------------------------|------------|---------------------------------------|------------|
|                          | 2024         | 2023       | 2024         | 2023       | 2024        | 2023       | 2024                         | 2023        | 2024                  | 2023       | 2024                    | 2023       | 2024                                  | 2023       |
|                          | Rp'million   | Rp'million | Rp'million   | Rp'million | Rp'million  | Rp'million | Rp'million                   | Rp'million  | Rp'million            | Rp'million | Rp'million              | Rp'million | Rp'million                            | Rp'million |
| <b>Assets:</b>           |              |            |              |            |             |            |                              |             |                       |            |                         |            |                                       |            |
| Deferred tax assets      | 66,596       | 87,581     | 1,131        | 229        | 81          | 6,625      | -                            | -           | -                     | -          | 67,808                  | 94,435     | -                                     | 94,435     |
| Segment assets           | 2,518,029    | 2,503,329  | 2,673,901    | 2,278,220  | 224,845     | 3,368,864  | (544,485)                    | (3,892,298) | 10,178                | -          | 4,862,112               | -          | C 4,872,290                           | 4,258,115  |
| <b>Liabilities:</b>      |              |            |              |            |             |            |                              |             |                       |            |                         |            |                                       |            |
| Loans and borrowings     | 1,906,450    | 1,854,294  | 1,484,914    | 1,111,516  | 95,806      | 106,048    | -                            | -           | -                     | -          | 3,487,170               | 3,071,858  | -                                     | 3,071,858  |
| Lease liabilities        | 22,211       | 17,791     | -            | 747        | 836         | 3,223      | -                            | -           | -                     | -          | 23,047                  | 21,761     | -                                     | 21,761     |
| Income tax payable       | 3,084        | 3,892      | 482          | 754        | 57          | 188        | -                            | -           | -                     | -          | 3,623                   | 4,834      | -                                     | 4,834      |
| Deferred tax liabilities | 8,554        | 12,746     | 122,999      | 118,919    | 282         | -          | (33,171)                     | (33,171)    | -                     | -          | 98,664                  | 98,494     | -                                     | 98,494     |
| Segment liabilities      | 4,158,116    | 3,170,248  | 2,048,638    | 1,514,703  | 732,467     | 1,611,131  | (559,258)                    | (1,426,905) | 6,554                 | -          | 6,373,409               | -          | C 6,379,963                           | 4,869,177  |

## Notes

- A. The amounts relating to discontinued operation has been excluded to arrive at amounts shown in profit or loss as they are presented separately in the statement of comprehensive income with one line item, "loss from discontinued operations, net of income tax".
- B. Inter-segment revenues are eliminated upon consolidation.
- C. These represent inter-segment amounts eliminated upon consolidation.

**35. Segment information (Continued)**Geographical information

Revenue and other non-current assets information based on the geographical location of the customers and assets respectively are as follows:

|                                          | Group                         |                    |                                          |                    |
|------------------------------------------|-------------------------------|--------------------|------------------------------------------|--------------------|
|                                          | Revenue<br>2024<br>Rp'million | 2023<br>Rp'million | Non-current assets<br>2024<br>Rp'million | 2023<br>Rp'million |
| Indonesia                                | -                             | 1,019,310          | -                                        | 2,623,476          |
| North Asia                               | -                             | 542,069            | -                                        | -                  |
| North America                            | -                             | 412,250            | -                                        | -                  |
| South East Asia<br>(excluding Indonesia) | -                             | 253,777            | 1                                        | 1,613              |
| Others                                   | -                             | 33,366             | -                                        | -                  |
|                                          | -                             | 2,260,772          | 1                                        | 2,625,089          |

The Group does not have revenue from continuing operations as the Group's major operating subsidiaries have been classified as discontinued operations (Note 10). Non-current assets information presented above consist of property, plant and equipment, biological assets and land use rights as presented in the consolidated statement of financial position.

**36. Capital commitment**

Capital expenditure contracted for at the end of reporting period but not recognised in the financial statements is as follows:

|                                                                     | Group              |                    |
|---------------------------------------------------------------------|--------------------|--------------------|
|                                                                     | 2024<br>Rp'million | 2023<br>Rp'million |
| Commitments for the acquisition of property,<br>plant and equipment | -                  | 117,753            |

As at 31 December 2024, commitments for the acquisition of property, plant and equipment amounted to Rp49,207 million were contracted by disposal group classified as held for sale but not recognised in the financial statements.

**37. Events subsequent to reporting date****Capital reduction**

On 27 March 2025, the Company carried out a capital reduction exercise by way of a cash distribution. The capital reduction and cash distribution involved a reduction of the issued and paid-up share capital of the Company by the sum of S\$3,300,000 (equivalent to approximately Rp40,075 million) from S\$71,379,118 (equivalent to approximately Rp765,449 million) to S\$68,079,118 (equivalent to approximately Rp725,374 million) and a cash distribution to shareholders of the sum of S\$3,300,000 (equivalent to approximately Rp40,075 million), being S\$0.0004 for each Share held by a Shareholder as at 7 April 2025 5.00p.m. The expected payment date for the cash distribution will be on or around 15 April 2025.

**Completion of disposal of Sale Subsidiaries**

As disclosed in Note 10.

# Statistics of Shareholdings

As at 28 March 2025

## DISTRIBUTION OF SHAREHOLDINGS

| SIZE OF SHAREHOLDINGS | NO. OF SHAREHOLDERS | %             | NO. OF SHARES        | %             |
|-----------------------|---------------------|---------------|----------------------|---------------|
| 1 – 99                | 17                  | 1.46          | 392                  | 0.00          |
| 100 – 1,000           | 39                  | 3.35          | 21,656               | 0.00          |
| 1,001 – 10,000        | 242                 | 20.79         | 1,353,143            | 0.01          |
| 10,001 – 1,000,000    | 754                 | 64.78         | 134,524,853          | 1.56          |
| 1,000,001 AND ABOVE   | 112                 | 9.62          | 8,510,508,024        | 98.43         |
| <b>TOTAL</b>          | <b>1,164</b>        | <b>100.00</b> | <b>8,646,408,068</b> | <b>100.00</b> |

## TWENTY LARGEST SHAREHOLDERS

| NO. | NAME                                              | NO. OF SHARES        | %            |
|-----|---------------------------------------------------|----------------------|--------------|
| 1   | CITIBANK NOMINEES SINGAPORE PTE LTD               | 5,949,960,228        | 68.81        |
| 2   | UOB KAY HIAN PRIVATE LIMITED                      | 1,403,779,916        | 16.24        |
| 3   | OCBC SECURITIES PRIVATE LIMITED                   | 157,356,689          | 1.82         |
| 4   | TAN ENG CHUA EDWIN                                | 116,638,400          | 1.35         |
| 5   | CINDY SUNARKO OR KOH TJI BENG @<br>AMBRAN SUNARKO | 115,136,930          | 1.33         |
| 6   | AMIR SUNARKO                                      | 73,642,731           | 0.85         |
| 7   | NATALIA TANWIR TAN                                | 72,952,000           | 0.84         |
| 8   | DBS NOMINEES (PRIVATE) LIMITED                    | 72,812,106           | 0.84         |
| 9   | MAYBANK SECURITIES PTE. LTD.                      | 59,508,800           | 0.69         |
| 10  | TEMASEK LIFE SCIENCES VENTURES<br>PRIVATE LIMITED | 44,774,207           | 0.52         |
| 11  | HORNG JIIN SHUH @ HUNG CHING HSU                  | 33,094,000           | 0.38         |
| 12  | HASAN HOLDINGS PTE LTD                            | 28,485,846           | 0.33         |
| 13  | FIRST FORTUNA HOLDINGS PTE LTD                    | 27,822,000           | 0.32         |
| 14  | RAFFLES NOMINEES (PTE.) LIMITED                   | 22,967,111           | 0.27         |
| 15  | PHILLIP SECURITIES PTE LTD                        | 20,796,968           | 0.24         |
| 16  | KOH BOON HONG                                     | 12,804,000           | 0.15         |
| 17  | RIKO SETYABUDHY HANDOKO                           | 12,467,532           | 0.14         |
| 18  | KEE CHEE CHYE                                     | 12,000,000           | 0.14         |
| 19  | HSBC (SINGAPORE) NOMINEES PTE LTD                 | 11,743,200           | 0.14         |
| 20  | IFAST FINANCIAL PTE. LTD.                         | 10,318,000           | 0.12         |
|     | <b>TOTAL</b>                                      | <b>8,259,060,664</b> | <b>95.52</b> |

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the “**Annual General Meeting**” or the “**AGM**”) of **SAMKO TIMBER LIMITED** (the “**Company**”) will be held at 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624 on Friday, 25 April 2025 at 10.00 a.m. (Singapore time) for the purpose of transacting the following businesses:

## **ORDINARY BUSINESS**

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 December 2024, together with the Auditors’ Report thereon.

**(Resolution 1)**

2. To re-elect Mr Ito Sumardi, a Director of the Company who will be retiring by rotation pursuant to Regulation 93 of the Constitution of the Company and who, being eligible, offers himself for re-election.

*[See Explanatory Note (i)]*

**(Resolution 2)**

3. To re-elect Ms Meriana Ang Mei Ling, a Director of the Company who will be retiring pursuant to Regulation 99 of the Constitution of the Company and who, being eligible, offers herself for re-election.

*[See Explanatory Note (ii)]*

**(Resolution 3)**

4. To approve the payment of Directors’ fees of S\$209,778.48 for the financial year ending 31 December 2025, payable quarterly in arrears. (2024: S\$292,364)

**(Resolution 4)**

5. To re-appoint Messrs BDO LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

**(Resolution 5)**

## **SPECIAL BUSINESS**

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions, with or without modifications:

6. **Authority to allot and issue shares in the capital of the Company**

That pursuant to Section 161 of the Companies Act 1967 of Singapore (“**Companies Act**”) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be given to the Directors to:

- (a) issue shares in the Company (the “**Shares**”) whether by way of rights, bonus or otherwise; or

- (b) make or grant offers, agreements or options (collectively, the “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares; and

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(notwithstanding the authority conferred by this ordinary resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this ordinary resolution was in force,

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent (20%) of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
  - (i) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
  - (ii) new Shares arising from exercising share options or vesting of share awards, provided that the share options or share awards (as the case may be) were granted in compliance with the Listing Manual of the SGX-ST; and
  - (iii) any subsequent bonus issue, consolidation or subdivision of Shares;



provided further that adjustments in accordance with sub-paragraphs (2)(i) and (ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (3) in this Resolution, “**subsidiary holdings**” shall have the meaning ascribed to it in the Listing Manual of the SGX-ST;
- (4) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (5) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

*[See Explanatory Note (iii)]*

**(Resolution 6)**

## 7. **Authority to issue shares under the Samko Timber Performance Share Plan**

That approval be and is hereby given to the Directors of the Company, pursuant to Section 161 of the Companies Act:

- (a) to offer and grant awards from time to time in accordance with the rules of the Samko Timber Performance Share Plan (the “**Plan**”);
- (b) to allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be issued pursuant to the vesting of the awards under the Plan provided that the aggregate number of shares to be issued pursuant to the Plan and any other share incentive schemes of the Company, shall not exceed three per centum (3.0%) of the total issued share capital of the Company (excluding treasury shares and subsidiary holdings) from time to time; and
- (c) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

*[See Explanatory Note (iv)]*

**(Resolution 7)**

**8. Renewal of the General Mandate for Interested Person Transactions**

That for the purposes of Chapter 9 of the Listing Manual of the SGX-ST:

- (a) approval be and is hereby given for the renewal of the general mandate as described in the appendix to this Notice of AGM (the “**Appendix**”), permitting the EAR Group (as defined in the Appendix) to enter into any Mandated Transactions (as defined in the Appendix) with the Mandated Interested Persons (as defined in the Appendix), provided that such Mandated Transactions are carried out on normal commercial terms which are not prejudicial to the interests of the Company and its minority shareholders and are in accordance with the guidelines and review procedures for Mandated Transactions as set out in the Appendix (the “**IPT General Mandate**”);
- (b) the IPT General Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company; and
- (c) authority be given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the IPT General Mandate as they may think fit.

*[See Explanatory Note (v)]*

**(Resolution 8)**

By Order of the Board

**Janet Tan**  
Company Secretary

Singapore,  
**10 April 2025**

## Explanatory Notes:

- (i) **Ordinary Resolution 2** is to re-elect Mr Ito Sumardi ("**Mr Ito**") who will be retiring by rotation pursuant to Regulation 93 of the Constitution of the Company. Mr Ito will, upon re-election, remain as an Independent Director, Chairman of the Remuneration Committee and a member of the Audit, Nominating and Board Risk Committees. The Board of Directors considers Mr Ito to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

Detailed information of all retiring directors including information as set out in Appendix 7.4.1. of the Listing Manual can be found under "Board of Directors" and "Corporate Governance Report" sections of the Company's Annual Report.

- (ii) **Ordinary Resolution 3** is to re-elect Ms Meriana Ang Mei Ling ("**Ms Ang**") who will be retiring pursuant to Regulation 99 of the Constitution of the Company. Ms Ang will, upon re-election, remain as a Lead Independent Director, Chairman of the Audit and Board Risk Committees and a member of the Nominating and Remuneration Committees. The Board of Directors considers Ms Ang to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

Detailed information of all retiring directors including information as set out in Appendix 7.4.1. of the Listing Manual can be found under "Board of Directors" and "Corporate Governance Report" sections of the Company's Annual Report.

- (iii) **Ordinary Resolution 6**, if passed, will authorise and empower the Directors of the Company from the date of the AGM to issue Shares and to make or grant Instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such Instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors may consider would be in the best interests of the Company. The aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be allotted and issued would not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, of which the total number of Shares that may be issued other than on a pro-rata basis to shareholders shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time the resolution is passed. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company.

- (iv) **Ordinary Resolution 7**, if passed, will empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to offer and grant awards in accordance with the rules of the Plan (which was approved at the extraordinary general meeting of the Company held on 27 April 2018) and to allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be issued pursuant to the vesting of the awards under the Plan provided that the aggregate number of shares to be issued pursuant to the Plan and any other share incentive schemes of the Company, shall not exceed three per centum (3.0%) of the total issued share capital of the Company (excluding treasury shares and subsidiary holdings) from time to time.

- (v) **Ordinary Resolution 8**, if passed, will authorise the EAR Group to enter into the Mandated Transactions with the Mandated Interested Persons which are recurring in the financial year and will empower the Directors of the Company to do all acts necessary to give effect to the IPT General Mandate. This authority will, unless previously revoked or varied by the Company in a general meeting, expire at the conclusion of the next annual general meeting of the Company. Please refer to the Appendix for more information on the IPT General Mandate.

## Notice of Annual General Meeting

### Notes:

1. The Annual General Meeting will be held, in a **wholly physical format**, at 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624 on Friday, 25 April 2025 at 10.00 a.m. **There will be no option for members of the Company ("Members") to participate virtually.** Printed copies of this Notice of AGM, the accompanying proxy form and the Request Form will be sent by post to Members (collectively, the **"Documents"**). The Documents will also be published on the Company's website at the URL <https://www.sampoernakayoe.co.id/investors/minutes-of-agm-egm/> as well as on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. A Member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such shareholder's proxy form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument appointing the proxies.
3. A Member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such shareholder's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

**"Relevant intermediary"** has the meaning ascribed to it in Section 181 of the Companies Act 1967.

4. A proxy need not be a Member. A Member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
5. CPF and SRS investors:
  - (a) may vote at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
  - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 14 April 2025.
6. The proxy form must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com),

in either case, by 10.00 a.m. on 22 April 2025, being not less than 72 hours before the time appointed for holding the AGM.

A Member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **Members are strongly encouraged to submit completed proxy forms electronically via email.**

7. The proxy form must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the proxy form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the proxy form, failing which the proxy form may be treated as invalid.
8. In the case of Members whose Shares are entered against their names in the Depository Register, the Company may reject any proxy form lodged if such members are not shown to have Shares entered against their names in the Depository Register, as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

9. Members, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the Annual General Meeting in advance of the Annual General Meeting:
  - (a) by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) or via email to the Company at [srs.teamE@boardroomlimited.com](mailto:srs.teamE@boardroomlimited.com).

When submitting questions by post or via email, Members should also provide the following details: (i) the Member's full name; (ii) the Member's address; and (iii) the manner in which the Member holds shares in the Company (e.g., via CDP, CPF, SRS and/or scrip), for verification purposes. All questions submitted in advance must be received by 5.00 p.m. on 17 April 2025.

10. All substantive and relevant questions related to the resolutions to be tabled for approval at the AGM received in advance of the AGM by 5.00 p.m. on 17 April 2025, will be addressed and published at least 48 hours prior to the deadline for the submission of the proxy form on the Company's website at <https://www.sampoernakayoe.co.id/investors/minutes-of-agm-egm/> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. The Company will respond to questions or follow-up questions submitted after 5.00 p.m. on 17 April 2025 either within a reasonable timeframe before the AGM, or at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
11. Members, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives can also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.
12. The Annual Report for the financial year ended 31 December 2024 (the "**FY2024 Annual Report 2024**") and the Appendix have been published and may be accessed at the Company's website as follows:
  - (a) the FY2024 Annual Report may be accessed at the URL <https://www.sampoernakayoe.co.id/investor#pt.sumber-graha-sejahtera> by clicking on "2024" under "Annual Reports"; and
  - (b) the Appendix may be accessed at the URL <https://www.sampoernakayoe.co.id/investor#pt.sumber-graha-sejahtera> by clicking on "2024" under "Annual Reports".

The above documents may also be accessed at the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Members may request for printed copies of these documents by completing and submitting the Request Form sent to them by post together with printed copies of this Notice and the accompanying proxy form, or otherwise made available on the Company's website at the URL <https://www.sampoernakayoe.co.id/investor#pt.sumber-graha-sejahtera> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>, by 5.00 p.m. on 17 April 2025.

## Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Member (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request.

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**IMPORTANT**

1. The Annual General Meeting ("AGM") will be held, in a wholly physical format, at 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624 on Friday, 25 April 2025 at 10:00 a.m.. **There will be no option for members of the Company ("Members") to participate virtually.**
2. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).
3. This proxy form is not valid for use and shall be ineffective for all intents and purported to be used by CPF and SRS investors.
4. CPF and SRS investors:
  - (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
  - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 14 April 2025.
5. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 April 2025.

**PROXY FORM**

I/We\*, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Registration No.)  
of \_\_\_\_\_ (Address)  
being a member/members\* of Samko Timber Limited (the "**Company**"), hereby appoint:

| Name | Address | NRIC/Passport No. | Proportion of Shareholdings (%) |
|------|---------|-------------------|---------------------------------|
|      |         |                   |                                 |

and/or\*

| Name | Address | NRIC/Passport No. | Proportion of Shareholdings (%) |
|------|---------|-------------------|---------------------------------|
|      |         |                   |                                 |

or failing him/her\*, the Chairman of the AGM of the Company as my/our proxy/proxies\* to attend and to vote for me/us\* on my/our\* behalf at the AGM of the Company to be held at 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624 on Friday, 25 April 2025 at 10:00 a.m. and at any adjournment thereof.

I/We\* direct my/our\* proxy/proxies\* to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies\* will vote or abstain from voting at his/their\* discretion, as he/they\* will on any other matters arising at the AGM.

All resolutions put to the vote of the AGM shall be decided by the way of poll. Please indicate the number of votes as appropriate.

\*Delete as appropriate.

| No.                      | Ordinary Resolutions relating to:                                                                                         | No. of votes For* | No. of votes Against* | No. of votes Abstain* |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------------|-----------------------|
| <b>Ordinary Business</b> |                                                                                                                           |                   |                       |                       |
| 1                        | Approval of Directors' Statement and Audited Financial Statements for the year ended 31 December 2024                     |                   |                       |                       |
| 2                        | Re-election of Mr Ito Sumardi as Director                                                                                 |                   |                       |                       |
| 3                        | Re-election of Ms Meriana Ang Mei Ling as Director                                                                        |                   |                       |                       |
| 4                        | Approval of Directors' fees of S\$209,778.48 for the financial year ending 31 December 2025, payable quarterly in arrears |                   |                       |                       |
| 5                        | Re-appoint Messrs BDO LLP as the Auditors of the Company                                                                  |                   |                       |                       |
| <b>Special Business</b>  |                                                                                                                           |                   |                       |                       |
| 6                        | Authority to allot and issue new shares                                                                                   |                   |                       |                       |
| 7                        | Authority to issue shares under the Samko Timber Performance Share Plan                                                   |                   |                       |                       |
| 8                        | Renewal of the general mandate for interested person transactions                                                         |                   |                       |                       |

\* Voting will be conducted by poll. Please indicate with a "X" in the spaces whether you wish your vote(s) to be cast for or against, or abstain from voting, in respect of all your Shares for each Resolution as set out in the Notice of AGM. Alternatively, you may indicate the number of Shares that you wish to vote for or against, and/or abstain from voting, for each Resolution in the relevant box. In the absence of specific directions in respect of a Resolution, the appointment of proxy for that Resolution will be treated as invalid.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

| Total number of Shares in: | No. of Shares |
|----------------------------|---------------|
| (a) CDP Register           |               |
| (b) Register of Members    |               |

\_\_\_\_\_  
Signature(s) or Common Seal of Shareholders

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM**



**Notes:**

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members.
2. A Member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such shareholder's proxy form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument appointing the proxies.
3. A Member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such shareholder's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
4. Where a member (whether individual or corporate) appoints a proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of proxy(ies) for that resolution will be treated as invalid.
5. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
6. This proxy form, duly executed, must be submitted in the following manner:
  - (a) if submitted by post, be lodged at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com),

in either case, no later than 10.00 a.m. on 22 April 2025, being not less than 72 hours before the time appointed for holding the AGM.

**Members are strongly encouraged to submit completed proxy forms electronically via email.**

7. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
8. The instrument appointing a proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 of Singapore or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

**General:**

The Company shall be entitled to reject the instrument appointing a proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (such as in the case where the appointor submits more than one instrument of proxy). In addition, in the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing a proxy lodged if such members are not shown to have Shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 April 2025.



## APPENDIX DATED 10 APRIL 2025

**THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**If you are in any doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.**

This Appendix is circulated to the shareholders of Samko Timber Limited (the “**Company**”) together with the Company’s annual report for the financial year ended 31 December 2024 (“**Annual Report**”), and its purpose is to provide Shareholders (as defined herein) with information relating to, and the reasons for, the proposed renewal of the IPT General Mandate (as defined herein), and to seek Shareholders’ approval in relation to the same at the FY2024 AGM (as defined herein) to be held at 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624 on Friday, 25 April 2025 at 10.00 a.m.

If you have sold or transferred all your ordinary shares in the capital of Samko Timber Limited (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Appendix, the Notice of AGM, the accompanying Proxy Form and Request Form to the purchaser or the transferee as arrangements will be made by the CDP for a separate Appendix, the Notice of AGM, the accompanying Proxy Form and Request Form to be sent to the purchaser or the transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should immediately forward this Appendix, the Notice of AGM, the accompanying Proxy Form and Request Form immediately to the purchaser or to the transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Appendix has been prepared by the Company. The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Appendix.



## **SAMKO TIMBER LIMITED**

(Company Registration Number: 200517815M)  
(Incorporated in the Republic of Singapore)

### **APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING IN RELATION TO THE PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS**

#### **IMPORTANT DATES AND TIMES**

|                                                |   |                                                           |
|------------------------------------------------|---|-----------------------------------------------------------|
| Last date and time for lodgement of Proxy Form | : | 22 April 2025 at 10.00 a.m.                               |
| Date and time of Annual General Meeting        | : | 25 April 2025 at 10.00 a.m.                               |
| Place of Annual General Meeting                | : | 80 Raffles Place, #33-00 UOB Plaza 1,<br>Singapore 048624 |

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## DEFINITIONS

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In this Appendix, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:–

### **SAMPOERNA FORESTRY GROUP COMPANIES**

|                |   |                                                                                                                                                                                                                                                                              |
|----------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“PTAHL”</b> | : | PT Arangan Hutani Lestari (Company Registration No.: 09.03.1.46.25270), a limited liability company incorporated in Indonesia with its registered office at Sampoerna Strategic Square, North Tower, 20-21 floor, Jl. Jend. Sudirman Kav. 45-46, Jakarta Selatan 12930       |
| <b>“PTAKA”</b> | : | PT Anugrah Karunia Alam (Company Registration No.: 9120103392323), a limited liability company incorporated in Indonesia with its registered office at Sampoerna Strategic Square, North Tower, 20-21 floor, Jl. Jend. Sudirman Kav. 45-46, Jakarta Selatan 12930            |
| <b>“PTAPL”</b> | : | PT Agrindo Persada Lestari (Company Registration No.: 9120104540183), a limited liability company incorporated in Indonesia with its registered office at Sampoerna Strategic Square, North Tower, 21 floor, Jl. Jend. Sudirman Kav. 45-46, Jakarta Selatan 12930            |
| <b>“PTBMU”</b> | : | PT Bina Mahoni Utama (Company Registration No.: 9120501862103), a limited liability company incorporated in Indonesia with its registered office at Sampoerna Strategic Square, North Tower, 20 floor, Jl. Jend. Sudirman Kav. 45-46, Jakarta Selatan 12930                  |
| <b>“PTCGK”</b> | : | PT Cipta Graha Kreasindo (Company Registration No.: 09.03.1.46.79761), a limited liability company incorporated in Indonesia with its registered office at office at Sampoerna Strategic Square, North Tower, 21 floor, Jl. Jend. Sudirman Kav. 45-46, Jakarta Selatan 12930 |
| <b>“PTKC”</b>  | : | PT Kirana Cakrawala (Company Registration No.: 0220204710114), a limited liability company incorporated in Indonesia with its registered office at Jl. Kemuning No. 30, Desa/Kelurahan Stadion, Kecamatan Kota Ternate Tengah, Kota Ternate, Provinsi Maluku Utara           |
| <b>“PTKW”</b>  | : | PT Kalpika Wanatama (Company Registration No.: 9120203781304), a limited liability company incorporated in Indonesia with its registered office at Jl. Kemuning No. 30, Desa/Kelurahan Stadion, Kecamatan Kota Ternate Tengah, Kota Ternate, Provinsi Maluku Utara           |

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## DEFINITIONS

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|                             |   |                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“PTMTP”</b>              | : | PT Mangole Timber Producers (Company Registration No.: 9120203842181), a limited liability company incorporated in Indonesia with its registered office at Jl. Kemuning No. 30, Desa/Kelurahan Stadion, Kecamatan Kota Ternate Tengah, Kota Ternate, Provinsi Maluku Utara                                                                             |
| <b>“PTNP”</b>               | : | PT Navatani Persada (Company Registration No.: 16.05.1.20.0034), a limited liability company incorporated in Indonesia with its registered office at Desa Asam-Asam RT 06, Kec. Jorong, Kabupaten Tanah Laut                                                                                                                                           |
| <b>“PTPSK”</b>              | : | PT Putra Sumber Kimindo (Company Registration No.: 9120102312106), a limited liability company incorporated in Indonesia with its registered office at Desa Sarang Burung, Jl. Lintas Timur, Sarang Burung, Jambi Luar Kota, Muaro Jambi, Kabupaten Muaro Jambi, Provinsi Jambi                                                                        |
| <b>“PTSAS”</b>              | : | PT Sari Alam Sejahtera (Company Registration No.: 9120406882293), a limited liability company incorporated in Indonesia with its registered office at Ruko Elang Laut Boulevard, Blok F Nomor 27, Kelurahan Kamal Muara, Kecamatan Penjaringan, Jakarta Utara, DKI Jakarta                                                                             |
| <b>“PTSGA”</b>              | : | PT Sempurna Graha Abadi (Company Registration No.: 9120309931773), a limited liability company incorporated in Indonesia with its registered office at Sampoerna Strategic Square, North Tower, 21 floor, Jl. Jend. Sudirman Kav. 45-46, Jakarta Selatan 12930                                                                                         |
| <b>“PTSGM”</b>              | : | PT Sumber Graha Maluku (Company Registration No.: 9120409870326), a limited liability company incorporated in Indonesia with its registered office at Sampoerna Strategic Square, North Tower, 20 floor, Jl. Jend. Sudirman Kav. 45-46, Jakarta Selatan 12930                                                                                          |
| <b>“PTSGS”</b>              | : | PT Sumber Graha Sejahtera (Company Registration No.: 8120312021254), a limited liability company incorporated in Indonesia with its registered office at Sampoerna Strategic Square, North Tower, 21st floor, Jalan Jenderal Sudirman, Kav. 45-46, Desa/Kelurahan Karet Semanggi, Kecamatan Setiabudi, Kota Adm. Jakarta Selatan, Provinsi DKI Jakarta |
| <b>“PTSGS Subsidiaries”</b> | : | The subsidiaries of PTS GS, namely, PTPSK, PTNP, PTAHL, PT APL, PTSGA, PTSAS, PTSGM, PTMTP, PTKC, PTKW, PTBMU and PTWT, and each, a <b>“PTSGS Subsidiary”</b> and together with PTS GS, the <b>“PTSGS Group”</b>                                                                                                                                       |

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## DEFINITIONS

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|------------------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“PTWT”</b>                            | : | PT. Wiranusa Trisatrya (Company Registration No.: 9120308911825), a limited liability company incorporated in Indonesia with its registered office at Jl. Kemuning No. 30, Desa/Kelurahan Stadion, Kecamatan Kota Ternate Tengah, Kota Ternate, Provinsi Maluku Utara |
| <b>“Sampoerna Forestry Group”</b>        | : | Collectively, Sampoerna Forestry Limited and the Sampoerna Forestry Subsidiaries                                                                                                                                                                                      |
| <b>“Sampoerna Forestry Subsidiaries”</b> | : | Collectively, PTSGS, STPL, SFPL, the PTSGS Subsidiaries and the STPL Subsidiaries                                                                                                                                                                                     |
| <b>“SFPL”</b>                            | : | Samko Forestry Pte. Ltd. (Company Registration No.: 201927430D), a private company limited by shares incorporated in Singapore with its registered office at 7500A Beach Road #08-305, The Plaza, Singapore 199591                                                    |
| <b>“SPSB”</b>                            | : | Samkowood Products Sdn. Bhd. (Company Registration No.: 201001032071 (915996-H)), a private company limited by shares incorporated in Malaysia with its registered office at 9-4, Pusat Dagangan NZK, Jalan PJU 1A/41B, Ara Jaya, 47301 Petaling Jaya, Selangor       |
| <b>“STPL”</b>                            | : | Samko Trading Pte. Ltd. (Company Registration No.: 200921188G), a private company limited by shares incorporated in Singapore with its registered office at 7500A Beach Road #08-305, The Plaza, Singapore 199591                                                     |
| <b>“STPL Subsidiaries”</b>               | : | The subsidiaries of STPL, namely, PTAKA, PTCGK and SPSB, and each, a <b>“STPL Subsidiary”</b>                                                                                                                                                                         |

## GENERAL

|                        |   |                                                                                                                              |
|------------------------|---|------------------------------------------------------------------------------------------------------------------------------|
| <b>“AGM”</b>           | : | Annual general meeting                                                                                                       |
| <b>“Appendix”</b>      | : | This Appendix to the Notice of AGM dated 10 April 2025                                                                       |
| <b>“Annual Report”</b> | : | The annual report of the Company for the relevant financial year, and <b>“Annual Reports”</b> shall be construed accordingly |

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## DEFINITIONS

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|--------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“associate”</b>       | : | (a) in relation to any individual, including a director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:<br><br>(i) his immediate family;<br><br>(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and<br><br>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; or<br><br>(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more |
| <b>“Auditor”</b>         | : | The auditor of the Company as appointed from time to time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“Audit Committee”</b> | : | The audit committee of the Company for the time being                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>“Bioforest”</b>       | : | Bioforest Pte. Ltd. (Company Registration No.: 200512041H), a private company limited by shares incorporated in Singapore with its registered office at 7500A Beach Road #08-305, The Plaza, Singapore 199591                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>“Board”</b>           | : | The board of Directors of the Company for the time being                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>“Business Day”</b>    | : | A day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>“CDP”</b>             | : | The Central Depository (Pte) Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“Companies Act”</b>   | : | The Companies Act 1967 of Singapore, as may be supplemented, amended or modified from time to time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>“Company”</b>         | : | Samko Timber Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

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## DEFINITIONS

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|----------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Controlling Shareholder”</b>             | : | A person who: <ul style="list-style-type: none"><li>(a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or</li><li>(b) in fact exercises control over the Company.</li></ul> |
| <b>“Directors”</b>                           | : | The directors of the Company for the time being                                                                                                                                                                                                                                                                                        |
| <b>“EAR Group”</b>                           | : | The Company and its subsidiaries, namely Bioforest and PT Bioforest, that are considered to be “entities at risk” within the meaning of Chapter 9 of the Listing Manual, as described in Section 2.6 of this Appendix                                                                                                                  |
| <b>“EGM Circular”</b>                        | : | Has the meaning ascribed to it in Section 1.1 of this Appendix                                                                                                                                                                                                                                                                         |
| <b>“Exclusive Distributorship Agreement”</b> | : | The Exclusive Distributorship Agreement entered into between the EAR Group and the Sampoerna Forestry Subsidiaries pursuant to which the EAR Group was appointed by the Sampoerna Forestry Subsidiaries as the exclusive distributor of the Products produced by the Sampoerna Forestry Subsidiaries to purchasers in the Territories  |
| <b>“FY”</b>                                  | : | Financial year ended or ending 31 December                                                                                                                                                                                                                                                                                             |
| <b>“FY2024 AGM”</b>                          | : | The AGM of the Company to be convened on 25 April 2025, notice of which is set out in the Notice of AGM                                                                                                                                                                                                                                |
| <b>“Group”</b>                               | : | The Company and its subsidiaries                                                                                                                                                                                                                                                                                                       |
| <b>“Interested Person”</b>                   | : | In the case of a company: <ul style="list-style-type: none"><li>(a) a director, chief executive officer, or Controlling Shareholder of that company; or</li><li>(b) an associate of any such director, chief executive officer, or Controlling Shareholder</li></ul>                                                                   |
| <b>“Interested Person Transaction”</b>       | : | A transaction between an entity at risk and an Interested Person                                                                                                                                                                                                                                                                       |
| <b>“IPT General Mandate”</b>                 | : | The general mandate from Shareholders pursuant to Chapter 9 of the Listing Manual to enable the EAR Group to enter into the Mandated Transactions with the Mandated Interested Persons                                                                                                                                                 |

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## DEFINITIONS

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|--------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Latest Practicable Date”</b>     | : | 3 April 2025, being the latest practicable date prior to the printing of this Appendix                                                                                                                                                                                                                                                 |
| <b>“Listing Manual”</b>              | : | The listing manual of the SGX-ST, as amended or modified from time to time                                                                                                                                                                                                                                                             |
| <b>“Mandated Interested Persons”</b> | : | Sampoerna Forestry Limited and the Sampoerna Forestry Subsidiaries, the interested persons which will be covered under the IPT General Mandate, as described in Section 2.6 of this Appendix                                                                                                                                           |
| <b>“Mandated Transactions”</b>       | : | The categories of Interested Person Transactions which will be covered under the IPT General Mandate, as described in Section 2.9 of this Appendix                                                                                                                                                                                     |
| <b>“Market Day”</b>                  | : | A day on which the SGX-ST is open for trading in securities                                                                                                                                                                                                                                                                            |
| <b>“Notice of AGM”</b>               | : | The notice of the FY2024 AGM                                                                                                                                                                                                                                                                                                           |
| <b>“Products”</b>                    | : | Processed plywood, floorbase, film face, laminated veneer lumber and housing products, as described in Section 2.1 of this Appendix                                                                                                                                                                                                    |
| <b>“Proxy Form”</b>                  | : | The proxy form in respect of the FY2024 AGM                                                                                                                                                                                                                                                                                            |
| <b>“PT Bioforest”</b>                | : | PT Bioforest Indonesia (Company Registration No.: 09.03.1.01.80.121), a limited liability company incorporated in Indonesia with its registered office at Sampoerna Strategic Square, North Tower, 21 floor, Jl. Jend. Sudirman Kav. 45-46, Jakarta Selatan 12930                                                                      |
| <b>“Register of Members”</b>         | : | Register of members of the Company                                                                                                                                                                                                                                                                                                     |
| <b>“Request Form”</b>                | : | The request form to request for a printed copy of the annual report for FY2024, including this Appendix                                                                                                                                                                                                                                |
| <b>“SGX-ST”</b>                      | : | Singapore Exchange Securities Trading Limited                                                                                                                                                                                                                                                                                          |
| <b>“Share Registrar”</b>             | : | Boardroom Corporate & Advisory Services Pte. Ltd.                                                                                                                                                                                                                                                                                      |
| <b>“Shareholders”</b>                | : | Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited |
| <b>“Shares”</b>                      | : | Ordinary shares in the capital of the Company                                                                                                                                                                                                                                                                                          |



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## DEFINITIONS

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|----------------------------------|---|-------------------------------------------------------------------------------------------------------------------------------|
| <b>“Standard Price List”</b>     | : | Has the meaning ascribed to it in Section 2.11 of this Appendix                                                               |
| <b>“Substantial Shareholder”</b> | : | A person (including a corporation) who has an interest in not less than five per cent. (5%) of the total issued voting Shares |
| <b>“Territories”</b>             | : | Singapore, Thailand, Malaysia, Philippines, United States of America and Canada                                               |

## CURRENCIES AND UNITS

|                           |   |                                                                     |
|---------------------------|---|---------------------------------------------------------------------|
| <b>“Rp” or “Rupiah”</b>   | : | Indonesian Rupiah, the official currency of Indonesia               |
| <b>“S\$”</b>              | : | Singapore dollars, the lawful currency of the Republic of Singapore |
| <b>“%” or “per cent.”</b> | : | Per centum or percentage                                            |

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meaning ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The terms **“subsidiary”** and **“wholly-owned subsidiary”** shall have the meanings as ascribed to it in Section 5 and Section 5B of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Any reference in this Appendix to any enactment or statutory provision is a reference to that enactment or statutory provision for the time being amended, modified or re-enacted. Any word defined under the Companies Act, the Securities and Futures Act, the Listing Manual or any statutory or regulatory modification thereof and not otherwise defined in this Appendix shall, where applicable, have the same meaning assigned to it under the Companies Act, Securities and Futures Act, the Listing Manual or any such statutory or regulatory modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of a day in this Appendix shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Appendix between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

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## LETTER TO SHAREHOLDERS

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### **SAMKO TIMBER LIMITED**

(Company Registration Number: 200517815M)  
(Incorporated in the Republic of Singapore)

#### **Board of Directors**

Ms Meriana Ang (Lead Independent Director)  
Mr Hadi Daryanto (Independent Director)  
Mr Ito Sumardi (Independent Director)

#### **Registered Office:**

7500A Beach Road  
#08-305/307 The Plaza  
Singapore 199591

10 April 2025

**To: The Shareholders of Samko Timber Limited**

Dear Sir/Madam

### **THE PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS**

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#### **1 INTRODUCTION**

- 1.1 At an extraordinary general meeting held on 3 February 2025, Shareholders had approved, *inter alia*, the Company's adoption of the IPT General Mandate to enable the EAR Group to enter into the Mandated Transactions with the Mandated Interested Persons as described in the Company's circular to Shareholders dated 10 January 2025 (the "**EGM Circular**"), provided that such transactions are made in accordance with the guidelines and review procedures set out in the EGM Circular.
- 1.2 The IPT General Mandate is subject to annual renewal. Pursuant to Chapter 9 of the Listing Manual, the Directors intend to seek Shareholders' approval at the forthcoming AGM for the proposed renewal of the IPT General Mandate. The FY2024 AGM will be held, in a wholly physical format, at 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624 on 25 April 2025 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, *inter alia*, the ordinary resolution relating to the proposed renewal of the IPT General Mandate, as set out in the Notice of AGM.
- 1.3 There is no change to the terms of the IPT General Mandate which is proposed to be renewed at the FY2024 AGM, in particular, there are no changes to the categories of Mandated Interested Persons and the Interested Person Transactions that are subject to the IPT General Mandate, and there are no changes to the review procedures for the Interested Person Transactions subject to the IPT General Mandate.
- 1.4 The purpose of this Appendix is to provide Shareholders with information relating to, and the reasons for, the proposed renewal of the IPT General Mandate.
- 1.5 The SGX-ST takes no responsibility for the contents of this Appendix, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this Appendix.
- 1.6 Dentons Rodyk & Davidson LLP is the legal adviser to the Company in relation to the proposed renewal of the IPT General Mandate.

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## LETTER TO SHAREHOLDERS

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### 2 THE PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

#### 2.1 Background

As the proposed adoption of the IPT General Mandate was approved at the EGM, the IPT General Mandate has been in force since the date of the passing of such resolution, and will, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next annual general meeting of the Company is held or required to be held, whichever is the earlier date. Accordingly, it is proposed that the IPT General Mandate be renewed at the forthcoming AGM.

As set out in Section 2.1 of the EGM Circular, the Company had on 2 October 2024 announced that it had entered into a sale and purchase agreement with Sampoerna Forestry Limited pursuant to which the Company agreed to dispose of the issued and paid-up shares in the capital of the Company's subsidiaries as follows ("**Proposed Disposal**"):

- (a) 17,253,487 ordinary shares constituting 98.44% of the issued and paid-up share capital of PT Sumber Graha Sejahtera;
- (b) 3,860,000 ordinary shares constituting the entire issued and paid-up share capital of Samko Trading Pte. Ltd.; and
- (c) 100,000 ordinary shares constituting the entire issued and paid-up share capital of Samko Forestry Pte. Ltd..

The Proposed Disposal which was deemed a "major transaction" under Chapter 10 of the Listing Manual and an "interested person transaction" under Chapter 9 of the Listing Manual, was approved by Shareholders at the EGM. As announced by the Company on 27 March 2025, the Proposed Disposal was completed on 27 March 2025. Following completion of the Proposed Disposal, the Sampoerna Forestry Subsidiaries ceased to be subsidiaries of the Company.

The Company wholly-owns Bioforest, and Bioforest has a direct interest of 99.94% in its subsidiary, PT Bioforest. Having obtained Shareholders' approval for the proposed adoption of the IPT General Mandate at the EGM, the EAR Group was appointed by the Sampoerna Forestry Subsidiaries as the exclusive distributor of the Products, namely, processed plywood, floorbase, film face, laminated veneer lumber and housing products produced by the Sampoerna Forestry Subsidiaries to purchasers in the Territories, namely, Singapore, Thailand, Malaysia, Philippines, United States of America and Canada pursuant to the Exclusive Distributorship Agreement.

Accordingly, the purchase of the Products by the EAR Group from the Sampoerna Forestry Subsidiaries for distribution by the EAR Group to purchasers in the Territories constitutes Interested Person Transactions. The proposed renewal of IPT General Mandate is also the Company's attempt to avoid being deemed as a "cash company" pursuant to Rule 1018 of the Listing Manual.

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## LETTER TO SHAREHOLDERS

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Under Rules 1018(1)(a) and (b) of the Listing Manual, if the assets of an issuer consist wholly or substantially of cash or short-dated securities, the issuer's securities would normally be suspended from trading until such time that the issuer has a business which is able to satisfy the requirements of the SGX-ST for a new listing. In addition, the Company must:

- (a) place 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal(s) undertaken by the issuer) in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore. The amount that is placed in the escrow account cannot be drawn down until the completion of the acquisition of a business which is able to satisfy the SGX-ST's requirements for a new listing, except for payment of expenses incurred in a reverse takeover approved by shareholders and pro-rata distributions to shareholders; and
- (b) provide monthly valuation of its assets and utilization of cash, and quarterly updates of milestones in obtaining a new business to the market via SGXNET.

### 2.2 Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual governs transactions which an "entity at risk" enters into or proposes to enter into with a counterparty who is an "interested person" of the issuer. Such transactions are known as "interested person transactions".

Chapter 9 of the Listing Manual provides that an issuer may seek a general mandate from its shareholders to enable the Company, its subsidiaries, and its associated companies which are considered to be "entities at risk" to enter into recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

### 2.3 Definitions under Chapter 9 of the Listing Manual

For the purposes of Chapter 9 of the Listing Manual:

- (a) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles as Chapter 9;
- (b) an "**associate**" in relation to an interested person who is a director, chief executive officer or Controlling Shareholder, includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or Controlling Shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or the Controlling Shareholder/his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or the Controlling Shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30% or more, and, where a Controlling Shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;

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## LETTER TO SHAREHOLDERS

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- (c) an “**associated company**” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;
- (d) an “**entity at risk**” means:
  - (i) the listed company;
  - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange;
  - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company;
- (e) an “**interested person**” means a director, chief executive officer or Controlling Shareholder of the listed company or an associate of such director, chief executive officer or Controlling Shareholder. The SGX-ST may deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into:
  - (i) a transaction with an entity at risk; and
  - (ii) an agreement or arrangement with an interested person in connection with that transaction;
- (f) a “**primary interested person**” means a director, chief executive officer or Controlling Shareholder of the listed company;
- (g) an “**interested person transaction**” means a transaction between an entity at risk and an interested person;
- (h) a “**transaction**” includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of goods or services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether entered into directly or indirectly (for example, through one or more interposed entities);
- (i) in interpreting the term “**same interested person**” for the purpose of aggregation of the values of all transactions entered into with the same interested person during the same financial year under Rules 905, 906 and 907 of the Listing Manual, the following applies:
  - (i) transactions between (A) an entity at risk and a primary interested person; and (B) an entity at risk and an associate of that primary interested person, are deemed to be transactions between an entity at risk with the same interested person.

Transactions between (1) an entity at risk and a primary interested person; and (2) an entity at risk and another primary interested person, are deemed to be transactions between an entity at risk with the same interested person if the primary interested person is also an associate of the other primary interested person.

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## LETTER TO SHAREHOLDERS

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- (ii) transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person.

If an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested person and have audit committees whose members are completely different; and

- (j) while transactions below S\$100,000 are not normally aggregated under Rules 905 and 906 of the Listing Manual, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902 of the Listing Manual.

### 2.4 **Announcement and Shareholders' Approval Requirements under Chapter 9 of the Listing Manual**

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9 of the Listing Manual, when Chapter 9 of the Listing Manual applies to a transaction with an interested person and the value of the transaction alone or in aggregation with other transactions conducted with the same interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed company's latest audited consolidated NTA), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for the transaction.

In particular, an immediate announcement is required for an Interested Person Transaction of a value equal to, or exceeding:

- (a) three per cent. (3%) of the listed company's latest audited consolidated NTA; or
- (b) three per cent. (3%) of the listed company's latest audited consolidated NTA, when aggregated with the values of all other transactions entered into with the "same interested person" (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

In particular, shareholders' approval is required for an Interested Person Transaction of a value equal to, or exceeding:

- (a) five per cent. (5%) of the listed company's latest audited consolidated NTA; or
- (b) five per cent. (5%) of the listed company's latest audited consolidated NTA, when aggregated with the values of all other transactions entered into with the "same interested person" (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

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## LETTER TO SHAREHOLDERS

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### 2.5 Validity Period of the IPT General Mandate

If approved by the Shareholders at the forthcoming AGM, the IPT General Mandate will take effect from the date of passing of the ordinary resolution relating thereto, and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM of the Company is held or required by law to be held, whichever is earlier. Approval from Shareholders will be sought for the renewal of the IPT General Mandate at the next AGM and at each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of its continued relevance and application to Mandated Transactions and sufficiency of the guidelines and review procedures under the IPT General Mandate to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

In the event that Shareholders do not approve the proposed renewal of the IPT General Mandate, the EAR Group will not be able to proceed with the exclusive distribution business and the Company will consequently be deemed as a “cash company” pursuant to Rule 1018 of the Listing Manual.

### 2.6 Mandated Interested Persons and Entities at Risk

Sampoerna Forestry Limited, the Controlling Shareholder of the Company, together with its associates, which includes the PTSGS Group, are deemed to be Interested Persons of the Company.

The Company, together with its subsidiaries, namely Bioforest and PT Bioforest, are considered to be “entities at risk” within the meaning of Chapter 9 of the Listing Manual (the “**EAR Group**”).

As set out in Section 2.1 of this Appendix above, as the EAR Group was appointed by the Sampoerna Forestry Subsidiaries as the exclusive distributor of the Products produced by the Sampoerna Forestry Subsidiaries to purchasers in the Territories, the EAR Group would, in the ordinary course of its business, enter or continue to enter into certain transactions with Sampoerna Forestry Subsidiaries as an Interested Person, including but not limited to those categories of transactions described below in Section 2.9 of this Appendix. It is likely that such Interested Person Transactions will occur with some degree of frequency and may arise at any time.

The IPT General Mandate will apply to the transactions that are carried out between any entity at risk and: (a) Sampoerna Forestry Limited; and (b) the Sampoerna Forestry Subsidiaries (collectively, the “**Mandated Interested Persons**” and each a “**Mandated Interested Person**”, all being “**interested persons**” as defined in the Listing Manual). The Sampoerna Forestry Subsidiaries comprises the following companies:

PT Sumber Graha Sejahtera  
Samko Trading Pte. Ltd.  
Samko Forestry Pte. Ltd.

PTSGS Subsidiaries  
PT Putra Sumber Kimindo  
PT Navatani Persada  
PT Arangan Hutani Lestari  
PT Agrindo Persada Lestari



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## LETTER TO SHAREHOLDERS

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PT Sempurna Graha Abadi  
PT Sari Alam Sejahtera  
PT Sumber Graha Maluku  
PT Mangole Timber Producers  
PT Kirana Cakrawala  
PT Kalpika Wanatama  
PT Bina Mahoni Utama  
PT. Wiranusa Trisatrya

### STPL Subsidiaries

PT Anugrah Karunia Alam  
PT Cipta Graha Kreasindo  
Samkowood Products Sdn. Bhd.

In view of the time-sensitive nature of commercial transactions, it would be advantageous for the Company to renew the IPT General Mandate for the EAR Group to enter in the ordinary course of business into any of the Mandated Transactions (as defined below) with the Mandated Interested Persons, provided that such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

## 2.7 Information on the Mandated Interested Persons

The corporate structure of the Sampoerna Forestry Group is set out in the **Annexure** to this Appendix.

### 2.7.1 Sampoerna Forestry Limited

Sampoerna Forestry Limited is a Controlling Shareholder of the Company and was incorporated in the British Virgin Islands on 27 June 2002 and is principally engaged in the business of investment holding. As at the Latest Practicable Date, the sole shareholder of Sampoerna Forestry Limited is Twinwood International. As at the Latest Practicable Date, Sampoerna Forestry Limited holds 5,872,194,930 Shares, representing approximately 67.91% of the issued and paid-up share capital of the Company.

### 2.7.2 PTSGS and its subsidiaries

PTSGS was incorporated on 25 June 2001 in Indonesia as a limited liability company and as at the Latest Practicable Date, PTSGS has an issued and paid-up share capital of Rp2,007,129,009,500, comprising 17,529,511 ordinary shares.

PTSGS is 98.44% directly owned by Sampoerna Forestry Limited. The remaining 1.56% of PTSGS is directly owned by subsidiaries of the Sampoerna Forestry Subsidiaries in the following proportions: (a) 1.54% held through STPL; (b) 0.01% held through PTSAS; and (c) 0.01% held through PTAKA.

PTSGS and together with the PTSGS Subsidiaries, is principally engaged in the business of the production and wholesale of processed plywood, floorbase, film face, laminated veneer lumber, housing products, piano parts, wood pellets and other products (truck parts, veneer and glue).



## LETTER TO SHAREHOLDERS

The PTSGS Subsidiaries comprises the following companies:

| Name of company                                 | Country of incorporation | Percentage of effective equity interest held Sampoerna Forestry Limited (%) | Principal activities         |
|-------------------------------------------------|--------------------------|-----------------------------------------------------------------------------|------------------------------|
| <b><u>Held by PT Sumber Graha Sejahtera</u></b> |                          |                                                                             |                              |
| PT Putra Sumber Kimindo ("PTPSK")               | Indonesia                | 69.39                                                                       | Production of glue           |
| PT Navatani Persada ("PTNP")                    | Indonesia                | 70.50                                                                       | Dormant                      |
| PT Arangan Hutani Lestari ("PTAHL")             | Indonesia                | 60.00                                                                       | Dormant                      |
| PT Agrindo Persada Lestari ("PTAPL")            | Indonesia                | 99.96 <sup>(1)</sup>                                                        | Industrial forest plantation |

**Note:**

- (1) As PTAPL is a limited liability company incorporated under the laws of Indonesia, it is required under Article 7 sub-paragraph (1) of Law No 40 of 2007 concerning Limited Liability Company to have a minimum of two (2) Indonesian individuals or legal entities as its shareholders. Pursuant thereto, PTSGA holds the remaining direct interest of 0.04% in PTAPL.

**Held by PT Sumber Graha Sejahtera and Samko Forestry Pte. Ltd.**

|                                   |           |                       |                    |
|-----------------------------------|-----------|-----------------------|--------------------|
| PT Sempurna Graha Abadi ("PTSGA") | Indonesia | 100.00 <sup>(1)</sup> | Investment holding |
|-----------------------------------|-----------|-----------------------|--------------------|

**Note:**

- (1) PTSGS and SFPL each has a direct interest of 98.67% and 1.33%, respectively, in PTSGA.

**Held by PT Sumber Graha Sejahtera and PT Anugrah Karunia Alam**

|                                  |           |                       |         |
|----------------------------------|-----------|-----------------------|---------|
| PT Sari Alam Sejahtera ("PTSAS") | Indonesia | 100.00 <sup>(1)</sup> | Dormant |
|----------------------------------|-----------|-----------------------|---------|

**Note:**

- (1) PTSGS and PTAKA each has a direct interest of 74.25% and 25.75%, respectively, in PTSAS.

**Held by PT Sempurna Graha Abadi**

|                                  |           |       |                    |
|----------------------------------|-----------|-------|--------------------|
| PT Sumber Graha Maluku ("PTSGM") | Indonesia | 51.00 | Investment holding |
|----------------------------------|-----------|-------|--------------------|

## LETTER TO SHAREHOLDERS

| Name of company                              | Country of incorporation | Percentage of effective equity interest held Sampoerna Forestry Limited (%) | Principal activities                           |
|----------------------------------------------|--------------------------|-----------------------------------------------------------------------------|------------------------------------------------|
| <b><u>Held by PT Sumber Graha Maluku</u></b> |                          |                                                                             |                                                |
| PT Mangole Timber Producers (“PTMTP”)        | Indonesia                | 100.00% <sup>(1)</sup>                                                      | Production of plywood and wood-based furniture |
| PT Kirana Cakrawala (“PTKC”)                 | Indonesia                | 100.00% <sup>(2)</sup>                                                      | Production of plywood and wood-based furniture |
| PT Kalpika Wanatama (“PTKW”)                 | Indonesia                | 100.00% <sup>(3)</sup>                                                      | Production of plywood and wood-based furniture |
| PT Bina Mahoni Utama (“PTBMU”)               | Indonesia                | 100.00% <sup>(4)</sup>                                                      | Production of plywood and wood-based furniture |
| PT. Wiranusa Trisatrya (“PTWT”)              | Indonesia                | 100.00% <sup>(5)</sup>                                                      | Production of plywood and wood-based furniture |

**Notes:**

- (1) PTSGM has (i) a direct interest of 99.99%; and (ii) an indirect interest of 0.01% held through PTBMU, in PTMTP.
- (2) PTSGM has (i) a direct interest of 99.99%; and (ii) an indirect interest of 0.01% held through PTMTP, in PTKC.
- (3) PTSGM has (i) a direct interest of 99.99%; and (ii) an indirect interest of 0.01% held through PTMTP, in PTKW.
- (4) PTSGM has (i) a direct interest of 99.99%; and (ii) an indirect interest of 0.01% held through PTWT, in PTBMU.
- (5) PTSGM has (i) a direct interest of 99.98%; and (ii) an indirect interest of 0.02% held through PTMTP, in PTWT.

### 2.7.3 STPL and its subsidiaries

STPL was incorporated on 12 November 2009 in Singapore as a private company limited by shares and as at the Latest Practicable Date, STPL has an issued and paid-up share capital of S\$3,032,954 comprising 3,860,000 ordinary shares. STPL is a wholly-owned subsidiary of Sampoerna Forestry Limited.

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STPL and together with the STPL Subsidiaries, is principally engaged in the business of the wholesale of processed plywood, floorbase, film face, laminated veneer lumber, piano parts and wood pellets.

The STPL Subsidiaries comprises the following companies:

| Name of company                                                           | Country of incorporation | Percentage of effective equity interest held Sampoerna Forestry Limited (%) | Principal activities                                                 |
|---------------------------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------|----------------------------------------------------------------------|
| <b><u>Held by Samko Trading Pte Ltd and PT Sumber Graha Sejahtera</u></b> |                          |                                                                             |                                                                      |
| PT Anugrah Karunia Alam ("PTAKA")                                         | Indonesia                | 100.00 <sup>(1)</sup>                                                       | Wholesale of plywood, sawn timber, logs and related products holding |

**Note:**

(1) STPL and PTS GS each has a direct interest of 60% and 40%, respectively, in PTAKA.

**Held by Samko Trading Pte Ltd**

|                                      |          |        |                                                                      |
|--------------------------------------|----------|--------|----------------------------------------------------------------------|
| Samkwood Products Sdn. Bhd. ("SPSB") | Malaysia | 100.00 | Wholesale of plywood, sawn timber, logs and related products holding |
|--------------------------------------|----------|--------|----------------------------------------------------------------------|

**Held by PT Anugrah Karunia Alam**

|                                    |           |       |         |
|------------------------------------|-----------|-------|---------|
| PT Cipta Graha Kreasindo ("PTCGK") | Indonesia | 65.00 | Dormant |
|------------------------------------|-----------|-------|---------|

### 2.7.4 SFPL

SFPL was incorporated on 21 August 2019 in Singapore as a private company limited by shares and as at the Latest Practicable Date, SFPL has an issued and paid-up share capital of S\$72,249 comprising 100,000 ordinary shares. SFPL is an investment holding company which is wholly-owned by Sampoerna Forestry Limited.

### 2.8 Scope of the IPT General Mandate

The IPT General Mandate will not cover any transaction with the Mandated Interested Person which has a value below S\$100,000 as transactions below S\$100,000 are not normally aggregated under Rules 905 and 906 of the Listing Manual.

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## LETTER TO SHAREHOLDERS

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Transactions with the Mandated Interested Person which do not fall within the ambit of the IPT General Mandate (including any renewal thereof), will be subject to the applicable provisions of Chapter 9 and/or any other applicable provisions of the Listing Manual.

### 2.9 Categories of Mandated Transactions

The types of transactions with the Mandated Interested Person to be covered by the IPT General Mandate are recurrent transactions of a revenue or trading nature or transactions that are necessary for the Company's day-to-day operations such as the provision and/or obtaining of services and products (the "**Mandated Transactions**"), but not in respect of the purchase or sale of assets, undertakings or businesses as provided under Rule 920(1) of the Listing Manual.

As stated in Section 2.1 of this Appendix, following completion of the Proposed Disposal and having obtained Shareholders' approval for the proposed adoption of the IPT General Mandate at the EGM, the EAR Group was appointed by the Sampoerna Forestry Subsidiaries as the exclusive distributor of the Products produced by the Sampoerna Forestry Subsidiaries to purchasers in the Territories. Accordingly, the purchase of the Products by the EAR Group from the Sampoerna Forestry Subsidiaries for distribution by the EAR Group to purchasers in the Territories will constitute Interested Person Transactions.

### 2.10 Rationale for and Benefits of the IPT General Mandate

The IPT General Mandate and its subsequent renewal on an annual basis would eliminate the need to announce, or to announce and convene separate general meetings from time to time to seek Shareholders' prior approval as and when potential Mandated Transactions with the Mandated Interested Person arise, thereby saving substantial administrative time and costs expended in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the EAR Group.

The IPT General Mandate is intended to facilitate transactions in the normal course of business of the EAR Group which are transacted from time to time with the Mandated Interested Person, provided that they are carried out at arm's length and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

In accordance with the requirements of Chapter 9 of the Listing Manual, the Company will (a) disclose in its annual report the aggregate value of transactions conducted with the Mandated Interested Person pursuant to the IPT General Mandate during the financial year (as well as in the annual reports for subsequent financial years that the IPT General Mandate continues to be in force); and (b) announce the aggregate value of transactions conducted with the Mandated Interested Person pursuant to the IPT General Mandate for the financial periods that the Company is required to report on pursuant to Rule 705 of the Listing Manual (which relates to announcements of financial statements by listed companies) within the time required for the announcement of such report.

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## LETTER TO SHAREHOLDERS

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### 2.11 Review Procedures for Mandated Transactions with Mandated Interested Persons

To ensure that Mandated Transactions with the Mandated Interested Person are undertaken at: (1) arm's length and on normal commercial terms consistent with the EAR Group's usual business practices and on terms which are generally not more favourable than those extended to unrelated third parties; or (2) in any event on terms no less favourable to the EAR Group than prevailing open market rates, and will not be prejudicial to the interests of the Company and its minority Shareholders, the EAR Group will adopt the following procedures for the review and approval of Mandated Transactions under the IPT General Mandate:

- (a) In terms of the sale of timber products from the Mandated Interested Persons to the EAR Group, the price range of all the timber products will be contained in a standard price list as determined quarterly in advance ("**Standard Price List**") based on the highest prices and the lowest prices in which the respective timber products are sold by the Sampoerna Forestry Subsidiaries to unrelated purchasers in the month prior to the relevant quarter. The actual selling price of the respective timber products during the quarter will depend on the availability of supply of and market demand of the timber products, provided always that it must fall within the price range as provided in the Standard Price List. The Audit Committee reviews and approves the Standard Price List on a quarterly basis prior to its effective date and ensures that all relevant factors are taken into account each time the Standard Price List is updated. Should there be any variation between the selling price and the Standard Price, the extent to which the selling price deviates from the Standard Price and the reasons for such variation will be analysed and shall be subject to the approval of the Audit Committee of the Company.
- (b) In addition to the above procedures, the following review and approval procedures have been implemented to supplement the existing internal control procedures for all Mandated Transactions:—

| <b>Value of Mandated Transaction<br/>(per transaction)</b>                                                                           | <b>Approving Authority</b>                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Greater than five per cent. (5%) of the Company's latest audited consolidated NTA/NTL                                                | Approval of the majority of the members of the Audit Committee and the Board of Directors (excluding any person who shall be an Interested Person in respect of the particular transaction) prior to making any commitment to the transaction                                                                                                               |
| Greater than three per cent. (3%) but less than or equal to five per cent. (5%) of the Company's latest audited consolidated NTA/NTL | The approval of the Company's Chief Executive Officer or Director (who shall not be an Interested Person in respect of the particular transaction) and a majority of the members of the Audit Committee (excluding any person who shall be an Interested Person in respect of the particular transaction) prior to making any commitment to the transaction |

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| Value of Mandated Transaction<br>(per transaction)                                                                                      | Approving Authority                                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Greater than or equal to S\$100,000 but less than or equal to three per cent. (3%) of the Company's latest audited consolidated NTA/NTL | The approval of the Chief Executive Officer or Director (who shall not be an Interested Person in respect of the particular transaction) of the relevant company in the Group |

The approval thresholds set out above have been adopted by the EAR Group after taking into account, *inter alia*, the nature, volume, recurrent frequency and actual or potential size of the Mandated Transactions, as well as the EAR Group's day-to-day operations, administration and business. The threshold limits are arrived at with the view to strike a balance between (i) achieving operational efficiency of the day-to-day operations of the EAR Group, and (ii) maintaining adequate internal controls and governance in relation to the Mandated Transactions.

In the event that any member of the relevant approving authority (as set out in the preceding table above) has an interest in a Mandated Transaction under review or any business or personal connection with the relevant Mandated Interested Person, the relevant person shall declare his or her interest to the Audit Committee, and shall not participate in any decision-making procedure in respect of that Mandated Transaction. In such case, the review and approval of that Mandated Transactions will be undertaken only by a non-interested member of that approving authority where applicable, or if there is only one member of that approving authority or where all the members of the relevant approving authority of the IPT General Mandate are conflicted, then the approval from the next higher approving authority shall be sought.

The EAR Group shall not enter into or agree to enter into any Mandated Transaction unless all necessary internal approvals have been obtained, and in particular, as required considering the limits set out above and by the review procedures set out herein.

- (c) Any Director or other person who has an interest in the proposed Mandated Transaction (whether as the relevant interested person, or whose immediate family member is the relevant interested person) shall disclose his/her interest, and abstain from participating in the decision-making in respect of the proposal. Such Director or person shall provide information on the relevant interested person or the Interested Person Transaction upon request to the Audit Committee and the Board of Directors.
- (d) If a member of the Audit Committee has an interest in a Mandated Transaction to be reviewed by the Audit Committee, he/she will abstain from voting on any resolution, and/or any decision and/or any review of the established review procedures in respect of that Mandated Transaction. Review of that Mandated Transaction will be undertaken by the remaining members of the Audit Committee. At the direction of the Audit Committee, the internal audit plan may also include periodic review of compliance with the review procedures.

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### 2.12 Non-compete

As the Sampoerna Forestry Subsidiaries and the EAR Group are in similar lines of business, the Sampoerna Forestry Subsidiaries has undertaken for as long as Sampoerna Forestry Limited is a Controlling Shareholder of both the Company and the Sampoerna Forestry Subsidiaries, subject to the IPT General Mandate being renewed on an annual basis, to refrain from making active sales of its timber products to purchasers in the Territories, and for these purposes, “active sales” shall include the following actions:

- (a) establish, or maintain any branch, sales outlet or distribution depot in the Territories for the sale of its timber products in the Territories;
- (b) actively targeting to purchasers in the Territories by calls, emails, letters, visits or other direct means of communication;
- (c) targeted advertising and promotion, by means of print or digital media, offline or online, including online media, digital comparison tools or advertising on search engines targeting; and
- (d) advertisement or promotion that is only attractive for the Sampoerna Forestry Subsidiaries if it (in addition to reaching other purchasers) reaches purchasers in the Territories.

### 2.13 Disclosure

The Company will announce the aggregate value of all Interested Person Transactions (including Mandated Transactions pursuant to the IPT General Mandate) for each financial periods which the Company is required to report on pursuant to Rule 705 of the Listing Manual and within the time required for the announcement of such reports.

Disclosure will also be made in the Company’s annual report of the aggregate value of all Interested Person Transactions (including Mandated Transactions pursuant to the IPT General Mandate) entered during the financial year under review in the following format as stipulated under Rule 907 of the Listing Manual:

| Name of interested person | Nature of relationship | Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than \$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 \$100,000) |
|---------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
|---------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|

## LETTER TO SHAREHOLDERS

### 2.14 Statement of the Audit Committee

Pursuant to Rule 920(1)(c) of the Listing Manual, the Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices under the IPT General Mandate have not changed since the EGM; and
- (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

### 2.15 Abstention from Voting on the IPT General Mandate

Rule 919 of the Listing Manual provides that interested persons and their associates must not vote on any shareholders' resolution approving any mandate or renewal thereof in respect of any interested person transactions under Chapter 9 of the Listing Manual, nor accept appointments as proxies unless specific instructions as to voting are given.

Sampoerna Forestry Limited and its associates will abstain from voting at the FY2024 AGM in relation to the proposed renewal of the IPT General Mandate and will not accept appointments as proxies unless other Shareholders appointing them as proxies give specific instructions in the relevant Proxy Form on the manner in which they wish their votes to be cast for the ordinary resolution relating to the proposed renewal of the IPT General Mandate. The Company will disregard any votes cast by Sampoerna Forestry Limited and its associates on the ordinary resolution relating to the proposed renewal of the IPT General Mandate.

## 3 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors in the Shares, as extracted from the Register of Directors' Shareholdings of the Company and the interests of Substantial Shareholder(s), as extracted from the Register of Substantial Shareholders' Shareholdings of the Company, are as follows:—

|                                 | Direct Interest  |                  | Deemed Interest              |                      | Total Interest               |                      |
|---------------------------------|------------------|------------------|------------------------------|----------------------|------------------------------|----------------------|
|                                 | Number of Shares | % <sup>(1)</sup> | Number of Shares             | % <sup>(1)</sup>     | Number of Shares             | % <sup>(1)</sup>     |
| <b>Directors</b>                |                  |                  |                              |                      |                              |                      |
| Meriana Ang                     | —                | —                | —                            | —                    | —                            | —                    |
| Ito Sumardi                     | —                | —                | —                            | —                    | —                            | —                    |
| Hadi Daryanto                   | —                | —                | —                            | —                    | —                            | —                    |
| <b>Substantial Shareholders</b> |                  |                  |                              |                      |                              |                      |
| Sampoerna Forestry Limited      | —                | —                | 5,872,194,930 <sup>(2)</sup> | 67.91 <sup>(2)</sup> | 5,872,194,930 <sup>(2)</sup> | 67.91 <sup>(2)</sup> |
| Lin, Zhenlong                   | —                | —                | 1,210,497,130 <sup>(3)</sup> | 14.00 <sup>(3)</sup> | 1,210,497,130 <sup>(3)</sup> | 14.00 <sup>(3)</sup> |

**Notes:—**

- (1) Based on the total issued share capital of the Company as at the Latest Practicable Date of 8,646,408,068 Shares.
- (2) Sampoerna Forestry Limited is deemed to be interested in the 5,872,194,930 ordinary shares held through and registered in the name its custodian, Raffles Nominees (Pte.) Limited.
- (3) Lin, Zhenlong is deemed to be interested in the 1,210,497,130 ordinary shares held through and registered in the name his custodian, UOB Kay Hian Pte. Ltd.



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## LETTER TO SHAREHOLDERS

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Save as disclosed above and in this Appendix, as at the Latest Practicable Date, none of the Directors, Controlling Shareholders or Substantial Shareholders or their associates has any interest, direct or indirect, in the proposed renewal of the IPT General Mandate, other than through their respective shareholdings in the Company.

### 4 DIRECTORS' RECOMMENDATIONS

None of the Directors are deemed to be interested for the purpose of making a recommendation to the Shareholders in respect of the proposed renewal of the IPT General Mandate.

The Directors, having considered, *inter alia*, the terms, rationale and benefits of the proposed renewal of the IPT General Mandate, the review procedures of the Company for the Mandated Transactions and the role of the Audit Committee in enforcing the IPT General Mandate, are of the view that the guidelines and review procedures for determining transaction prices of the Mandated Transactions as set out in Section 2.11 of this Appendix, if adhered to, are sufficient to ensure that the Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution set out in the Notice of AGM.

### 5 ANNUAL GENERAL MEETING

The FY2024 AGM will be held at 80 Raffles Place, #33-00 UOB Plaza 1, Singapore 048624 on 25 April 2025 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, *inter alia*, the ordinary resolution relating to the proposed renewal of the IPT General Mandate, as set out in the Notice of AGM.

### 6 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should refer to the Notice of AGM, the accompanying Proxy Form and Request Form which has been despatched to Shareholders. Electronic copies of the aforementioned documents, the annual report of the Company for FY2024, and this Appendix will be made available to Shareholders via SGXNET and the Company's website at <https://www.sampoernakayoe.co.id>.

A Depositor shall not be regarded as a Shareholder entitled to attend and vote at the FY2024 AGM unless he is shown to have Shares entered against his name in the Depository Register as at 72 hours before the time fixed for holding the FY2024 AGM, as certified by CDP to the Company.

### 7 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed IPT General Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts or the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a

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## LETTER TO SHAREHOLDERS

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named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

### 8 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 7500A Beach Road, #08-305/307 The Plaza, Singapore 199591 during normal business hours from the date of this Appendix up to and including the date of the FY2024 AGM:–

- (a) the Constitution;
- (b) the annual report of the Company for FY2024; and
- (c) this Appendix.

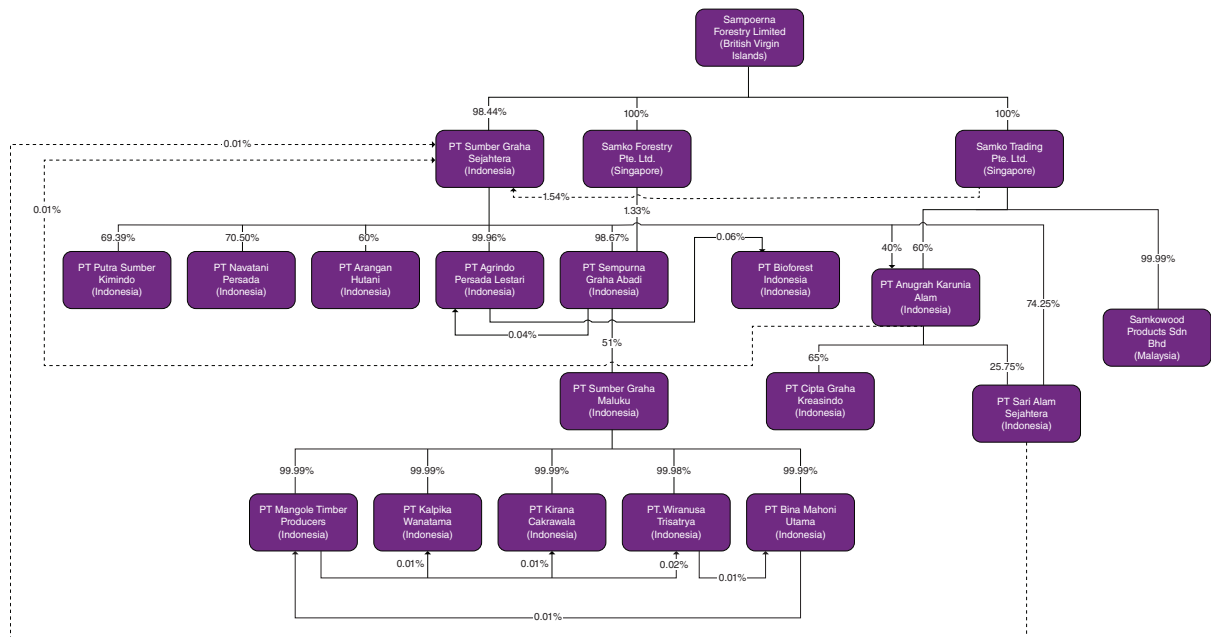
Yours faithfully

For and on behalf of the Board of  
Directors of **SAMKO TIMBER LIMITED**

Meriana Ang  
Lead Independent Director

## THE ANNEXURE

### Corporate structure of the Sampoerna Forestry Group



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**SAMPOERNA KAYOE**

**SAMKO TIMBER LIMITED**

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