

# **SAMKO TIMBER LIMITED**

Condensed interim financial statements  
For the six months and full year ended 31 December 2023

# **SAMKO TIMBER LIMITED**

Company Registration Number: 200517815M

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

|   | Note | Group            |                  |             | Group            |                  |             |
|---|------|------------------|------------------|-------------|------------------|------------------|-------------|
|   |      | 6 months ended   |                  |             | 12 months ended  |                  |             |
|   |      | 31 Dec 2023      | 31 Dec 2022      | Change      | 31 Dec 2023      | 31 Dec 2022      | Change      |
|   |      | Rp'million       | Rp'million       | %           | Rp'million       | Rp'million       | %           |
| Revenue   | 4    | 957,693          | 1,459,512        | (34)        | 2,260,772        | 3,618,477        | (38)        |
| Cost of sales   |      | (1,032,304)      | (1,255,048)      | (18)        | (2,279,551)      | (3,015,055)      | (24)        |
| <b>Gross (loss) profit</b>  |      | <b>(74,611)</b>  | <b>204,464</b>   | <b>n.m</b>  | <b>(18,779)</b>  | <b>603,422</b>   | <b>n.m</b>  |
| Other income (expenses)   | 6    | 9,797            | (69,987)         | n.m         | 67,316           | (79,943)         | n.m         |
| Selling expenses  |      | (96,730)         | (136,247)        | (29)        | (184,878)        | (291,674)        | (37)        |
| General and administrative expenses                                   |      | (163,577)        | (128,986)        | 27          | (324,086)        | (289,757)        | 12          |
| Finance expenses  |      | (116,075)        | (90,895)         | 28          | (205,970)        | (155,543)        | 32          |
| <b>Loss before taxation</b>   |      | <b>(441,196)</b> | <b>(221,651)</b> | <b>99</b>   | <b>(666,397)</b> | <b>(213,495)</b> | <b>212</b>  |
| <b>Taxation</b>   | 7    | <b>(28,251)</b>  | <b>(34,014)</b>  | <b>(17)</b> | <b>(35,151)</b>  | <b>(38,928)</b>  | <b>(10)</b> |
| <b>Net loss for the year</b>  |      | <b>(469,447)</b> | <b>(255,665)</b> | <b>84</b>   | <b>(701,548)</b> | <b>(252,423)</b> | <b>178</b>  |
| <b>Other comprehensive income:</b>                                    |      |                  |                  |             |                  |                  |             |
| <b>Items that will not be reclassified to profit or loss:</b>         |      |                  |                  |             |                  |                  |             |
| Net actuarial gain (loss) on post-employment benefits                 |      | (49,070)         | 2,728            | n.m         | (48,174)         | (3,075)          | 1,467       |
| <b>Items that may be reclassified subsequently to profit or loss:</b> |      |                  |                  |             |                  |                  |             |
| Foreign currency translation gain (loss)                              |      | (8,967)          | (19,576)         | (54)        | 8,174            | (28,801)         | n.m         |
| <b>Total comprehensive income for the year</b>                        |      | <b>(527,484)</b> | <b>(272,513)</b> | <b>94</b>   | <b>(741,548)</b> | <b>(284,299)</b> | <b>161</b>  |
| <b>Net profit (loss) attributable to:</b>                             |      |                  |                  |             |                  |                  |             |
| Owners of the Company   |      | (504,804)        | (257,403)        | 96          | (752,543)        | (252,889)        | 198         |
| Non-controlling interests   |      | 35,357           | 1,738            | 1,934       | 50,995           | 466              | 10,843      |
|   |      | <b>(469,447)</b> | <b>(255,665)</b> | <b>84</b>   | <b>(701,548)</b> | <b>(252,423)</b> | <b>178</b>  |
| <b>Total comprehensive income attributable to:</b>                    |      |                  |                  |             |                  |                  |             |
| Owners of the Company   |      | (562,875)        | (274,143)        | 105         | (792,577)        | (284,657)        | 178         |
| Non-controlling interests   |      | 35,391           | 1,630            | 2,071       | 51,029           | 358              | 14,154      |
|   |      | <b>(527,484)</b> | <b>(272,513)</b> | <b>94</b>   | <b>(741,548)</b> | <b>(284,299)</b> | <b>161</b>  |
| <b>Earnings per share attributable to owners of the Company</b>       |      |                  |                  |             |                  |                  |             |
| Basic   |      | (210)            | (108)            |             | (312)            | (106)            |             |
| Diluted   |      | (210)            | (108)            |             | (312)            | (106)            |             |

n.m : not meaningful

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## B. Condensed interim statement of financial position

|                                      | Note | Group            |                  | Company          |                |
|--------------------------------------|------|------------------|------------------|------------------|----------------|
|                                      |      | 31 Dec 2023      | 31 Dec 2022      | 31 Dec 2023      | 31 Dec 2022    |
|                                      |      | Rp'million       | Rp'million       | Rp'million       | Rp'million     |
| <b>ASSETS</b>                        |      |                  |                  |                  |                |
| <b>Current assets</b>                |      |                  |                  |                  |                |
| Cash and cash equivalents            |      | 30,372           | 26,882           | 215              | 692            |
| Restricted deposits                  |      | -                | 25               | -                | -              |
| Trade and other receivables          | 5    | 204,068          | 456,934          | 5,900            | 16,951         |
| Inventories                          |      | 912,241          | 1,079,883        | -                | -              |
| Advances to suppliers                |      | 204,155          | 341,541          | 227              | 38             |
| Prepaid operating expenses           |      | 78,609           | 109,470          | 491              | 729            |
| Other current assets                 |      | 45,317           | -                | -                | -              |
| <b>Total current assets</b>          |      | <b>1,474,762</b> | <b>2,014,735</b> | <b>6,833</b>     | <b>18,410</b>  |
| <b>Non-current assets</b>            |      |                  |                  |                  |                |
| Deferred tax assets                  |      | 100,325          | 89,929           | -                | -              |
| Investment in subsidiary companies   |      | -                | -                | 1,012,091        | 826,029        |
| Land use rights                      |      | 63,383           | 68,702           | -                | -              |
| Property, plant and equipment        |      | 1,864,211        | 898,114          | 1                | 5              |
| Right-of-use assets                  |      | 82,782           | 86,150           | -                | -              |
| Biological assets                    |      | 641,227          | 495,535          | -                | -              |
| Other non-current assets             |      | 37,315           | 35,058           | 114              | 116            |
| <b>Total non-current assets</b>      |      | <b>2,789,243</b> | <b>1,673,488</b> | <b>1,012,206</b> | <b>826,150</b> |
| <b>Total assets</b>                  |      | <b>4,264,005</b> | <b>3,688,223</b> | <b>1,019,039</b> | <b>844,560</b> |
| <b>LIABILITIES</b>                   |      |                  |                  |                  |                |
| <b>Current liabilities</b>           |      |                  |                  |                  |                |
| Trade and other payables             | 5    | 994,038          | 757,875          | 191,422          | 4,987          |
| Other liabilities                    |      | 126,143          | 83,647           | 2,633            | 2,610          |
| Advances from customers              |      | 52,139           | 33,480           | 29               | 29             |
| Provision for taxation               |      | 4,834            | 3,887            | -                | -              |
| Derivative financial instruments     |      | -                | 2,116            | -                | -              |
| Loans and borrowings                 | 12   | 1,656,217        | 1,435,813        | -                | -              |
| Lease liabilities                    |      | 13,027           | 9,071            | -                | -              |
| <b>Total current liabilities</b>     |      | <b>2,846,398</b> | <b>2,325,889</b> | <b>194,084</b>   | <b>7,626</b>   |
| <b>Non-current liabilities</b>       |      |                  |                  |                  |                |
| Deferred tax liabilities             |      | 104,384          | 70,401           | -                | -              |
| Post-employment benefits             |      | 239,517          | 224,393          | -                | -              |
| Loans and borrowings                 | 12   | 1,415,641        | 925,897          | -                | -              |
| Lease liabilities                    |      | 8,734            | 11,157           | -                | -              |
| Advance from customers               |      | 260,393          | -                | -                | -              |
| Other liabilities                    |      | -                | -                | 284,812          | 294,552        |
| <b>Total non-current liabilities</b> |      | <b>2,028,669</b> | <b>1,231,848</b> | <b>284,812</b>   | <b>294,552</b> |
| <b>Total liabilities</b>             |      | <b>4,875,067</b> | <b>3,557,737</b> | <b>478,896</b>   | <b>302,178</b> |
| <b>Net (liabilities) assets</b>      |      | <b>(611,062)</b> | <b>130,486</b>   | <b>540,143</b>   | <b>542,382</b> |

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

|   | <b>Group</b>       |                    | <b>Company</b>     |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | <b>31 Dec 2023</b> | <b>31 Dec 2022</b> | <b>31 Dec 2023</b> | <b>31 Dec 2022</b> |
|   | <i>Rp'million</i>  | <i>Rp'million</i>  | <i>Rp'million</i>  | <i>Rp'million</i>  |
| <b>EQUITY</b>                                       |                    |                    |                    |                    |
| <b>Equity attributable to equity holders of the</b> |                    |                    |                    |                    |
| Share capital                                       | 13 <b>545,713</b>  | 545,713            | <b>545,713</b>     | 545,713            |
| Accumulated losses                                  | <b>(1,838,606)</b> | (1,037,855)        | <b>5,424</b>       | 13,929             |
| Other reserves                                      | <b>312,139</b>     | 303,965            | <b>(10,994)</b>    | (17,260)           |
|   | <b>(980,754)</b>   | (188,177)          | <b>540,143</b>     | 542,382            |
| <b>Non-controlling interests</b>                    | <b>369,692</b>     | 318,663            | -                  | -                  |
| <b>Total equity</b>                                 | <b>(611,062)</b>   | 130,486            | <b>540,143</b>     | 542,382            |

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## C. Condensed interim statements of changes in equity

| Group   | Attributable to owners of the Company |                    |                        |   |                                |                                       |                  | Non-controlling interests | Total equity     |
|---|---------------------------------------|--------------------|------------------------|---|--------------------------------|---------------------------------------|------------------|---------------------------|------------------|
|   | Share capital                         | Accumulated losses | Restructuring reserves | Premium paid on acquisition of non-controlling interest | Performance share plan reserve | Foreign currency translation reserves | Total            |                           |                  |
|   | Rp'million                            | Rp'million         | Rp'million             | Rp million  | Rp million                     | Rp million                            | Rp'million       |                           |                  |
| <b>Balance at 1 Jan 2023</b>                            | 545,713                               | (1,037,855)        | 309,050                | (3,037)   | -                              | (2,048)                               | (188,177)        | 318,663                   | 130,486          |
| (Loss) profit for the year                              | -                                     | (752,543)          | -                      | -   | -                              | -                                     | (752,543)        | 50,995                    | (701,548)        |
| Other comprehensive income for the year:                |                                       |                    |                        |   |                                |                                       |                  |                           |                  |
| - Net actuarial gain (loss) on post-employment benefits | -                                     | (48,208)           | -                      | -   | -                              | -                                     | (48,208)         | 34                        | (48,174)         |
| - Foreign currency translation gain                     | -                                     | -                  | -                      | -   | -                              | 8,174                                 | 8,174            | -                         | 8,174            |
| Other comprehensive income for the year, net of tax     | -                                     | (48,208)           | -                      | -   | -                              | 8,174                                 | (40,034)         | 34                        | (40,000)         |
| Total comprehensive income for the year                 | -                                     | (800,751)          | -                      | -   | -                              | 8,174                                 | (792,577)        | 51,029                    | (741,548)        |
| <b>Balance at 31 December 2023</b>                      | <b>545,713</b>                        | <b>(1,838,606)</b> | <b>309,050</b>         | <b>(3,037)</b>  | <b>-</b>                       | <b>6,126</b>                          | <b>(980,754)</b> | <b>369,692</b>            | <b>(611,062)</b> |
| <b>Balance at 1 Jan 2022</b>                            | 542,889                               | (781,999)          | 309,050                | (3,037)   | 2,639                          | 26,753                                | 96,295           | 318,305                   | 414,600          |
| Profit (loss) for the year                              | -                                     | (252,889)          | -                      | -   | -                              | -                                     | (252,889)        | 466                       | (252,423)        |
| Other comprehensive income for the year:                |                                       |                    |                        |   |                                |                                       |                  |                           |                  |
| - Net actuarial loss on post-employment benefits        | -                                     | (2,967)            | -                      | -   | -                              | -                                     | (2,967)          | (108)                     | (3,075)          |
| - Foreign currency translation loss                     | -                                     | -                  | -                      | -   | -                              | (28,801)                              | (28,801)         | -                         | (28,801)         |
| Other comprehensive income for the year, net of tax     | -                                     | (2,967)            | -                      | -   | -                              | (28,801)                              | (31,768)         | (108)                     | (31,876)         |
| Total comprehensive income for the year                 | -                                     | (255,856)          | -                      | -   | -                              | (28,801)                              | (284,657)        | 358                       | (284,299)        |
| Contribution by and distribution to owners:             |                                       |                    |                        |   |                                |                                       |                  |                           |                  |
| - Issuance of shares under performance share plan       | 2,824                                 | -                  | -                      | -   | (2,824)                        | -                                     | -                | -                         | -                |
| - Grant of equity-settled share options to employees    | -                                     | -                  | -                      | -   | 185                            | -                                     | 185              | -                         | 185              |
| Total contribution by and distribution to owners        | 2,824                                 | -                  | -                      | -   | (2,639)                        | -                                     | 185              | -                         | 185              |
| <b>Balance at 31 December 2022</b>                      | <b>545,713</b>                        | <b>(1,037,855)</b> | <b>309,050</b>         | <b>(3,037)</b>  | <b>-</b>                       | <b>(2,048)</b>                        | <b>(188,177)</b> | <b>318,663</b>            | <b>130,486</b>   |

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

| Company   | Attributable to owners of the Company |                    |                                |                                       |                   |
|---|---------------------------------------|--------------------|--------------------------------|---------------------------------------|-------------------|
|   | Share capital                         | Accumulated losses | Performance share plan reserve | Foreign currency translation reserves | Total             |
|   | <i>Rp'million</i>                     | <i>Rp'million</i>  | <i>Rp'million</i>              | <i>Rp'million</i>                     | <i>Rp'million</i> |
| Balance at 1 Jan 2023                           | 545,713                               | 13,929             | -                              | (17,260)                              | 542,382           |
| Total comprehensive income for the year         | -                                     | (8,505)            | -                              | 6,266                                 | (2,239)           |
| <b>Balance at 31 December 2023</b>              | <b>545,713</b>                        | <b>5,424</b>       | <b>-</b>                       | <b>(10,994)</b>                       | <b>540,143</b>    |
| Balance at 1 Jan 2022                           | 542,889                               | 19,557             | 2,639                          | 8,928                                 | 574,013           |
| Total comprehensive income for the year         | -                                     | (5,628)            | -                              | (26,188)                              | (31,816)          |
| Issuance of shares under performance share plan | 2,824                                 | -                  | (2,824)                        | -                                     | -                 |
| Grant of equity-settled performance share plan  | -                                     | -                  | 185                            | -                                     | 185               |
| <b>Balance at 31 December 2022</b>              | <b>545,713</b>                        | <b>13,929</b>      | <b>-</b>                       | <b>(17,260)</b>                       | <b>542,382</b>    |

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**D. Condensed interim consolidated statement of cash flows**

|  | <b>Group</b>       |                   |
|--|--------------------|-------------------|
|  | <b>31 Dec 23</b>   | <b>31 Dec 22</b>  |
|  | <i>Rp'million</i>  | <i>Rp'million</i> |
| <b>Cash flows from operating activities</b>                      |                    |                   |
| Loss before income tax   | (666,397)          | (213,495)         |
| Adjustments:   |                    |                   |
| Interest expenses from loans and borrowings                      | 135,974            | 145,387           |
| Depreciation of property, plant and equipment                    | 56,968             | 80,161            |
| Post-employment benefits expense                                 | 37,090             | 7,383             |
| Depreciation related to idle capacity costs                      | 14,024             | -                 |
| Depreciation of right-of-use assets                              | 14,845             | 16,785            |
| Amortisation of land use rights                                  | 5,314              | 7,203             |
| Net loss (gain) on disposal of property, plant and equipment     | 4,847              | (18,399)          |
| Allowance for impairment losses of<br>financial assets, net      | 2,578              | 9,648             |
| Inventories written-down   | 1,637              | 14,927            |
| Interest expenses from lease liabilities                         | 1,307              | 1,630             |
| Reversal of allowance for advances to suppliers                  | 583                | -                 |
| Interest income  | (300)              | (259)             |
| Net foreign exchange (gain) loss                                 | (20,487)           | 97,954            |
| Net gain on change in fair value of biological assets            | (139,327)          | (52,645)          |
| Equity-settled performance share plan                            | -                  | 185               |
| <b>Operating cash flow before changes in<br/>working capital</b> | <b>(551,344)</b>   | <b>96,465</b>     |
| <b>Changes in working capital :</b>                              |                    |                   |
| Trade and other receivables                                      | 229,050            | 45,472            |
| Inventories  | 166,005            | (251,765)         |
| Advances to suppliers  | 115,369            | 45,542            |
| Prepaid operating expenses                                       | 16,330             | 3,697             |
| Other non-current assets   | (47,574)           | 4,731             |
| Trade and other payable  | 226,774            | 209,139           |
| Other liabilities  | 18,567             | (19,699)          |
| Advance from customers   | 279,052            | 28,111            |
| <b>Cash flow provided by operations</b>                          | <b>452,229</b>     | <b>161,693</b>    |
| Income tax (paid) refund   | (6,515)            | 603               |
| Post-employment benefits paid                                    | (41,233)           | (16,700)          |
| <b>Net cash flows provided by operating activities</b>           | <b>404,481</b>     | <b>145,596</b>    |
| <b>Cash flows from investing activities</b>                      |                    |                   |
| Additions of property, plant and equipment                       | (954,462)          | (692,544)         |
| Proceeds from disposal of property, plant and equipment          | 11,271             | 23,409            |
| Additions of land use rights                                     | -                  | (12,184)          |
| Additions of biological assets                                   | (8,164)            | (8,714)           |
| Interest received  | 300                | 259               |
| Interest capitalised in property, plant and equipment            | (53,308)           | (21,136)          |
| <b>Net cash flows used in investing activities</b>               | <b>(1,004,363)</b> | <b>(710,910)</b>  |



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

|   | <b>Group</b>         |                      |
|---|----------------------|----------------------|
|   | <b>31 Dec 23</b>     | <b>31 Dec 22</b>     |
|   | <i>Rp'million</i>    | <i>Rp'million</i>    |
| <b>Cash flows from financing activities</b>                     |                      |                      |
| Drawdown of loans and borrowings                                | 6,578,336            | 5,526,127            |
| Repayment of loans and borrowings                               | (5,857,255)          | (4,829,302)          |
| Interest paid for loans and borrowings                          | (105,288)            | (110,238)            |
| Interest paid for lease liabilities                             | (1,307)              | (1,630)              |
| Repayment of lease liabilities                                  | (10,762)             | (34,198)             |
| Withdrawal (placement) of restricted deposits                   | 25                   | (4)                  |
|   | <u>603,749</u>       | <u>550,755</u>       |
| <b>Net cash flows provided by financing activities</b>          |                      |                      |
| Net increase (decrease) in cash and cash equivalents            | 3,867                | (14,559)             |
| Effect of exchange rate changes on<br>cash and cash equivalents | (377)                | 1,855                |
| Cash and cash equivalents at beginning of the year              | <u>26,882</u>        | <u>39,586</u>        |
| Cash and cash equivalents at end of the year                    | <u><u>30,372</u></u> | <u><u>26,882</u></u> |

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## **E. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

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

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

These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the Group).

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

### **2. Basis of preparation**

The condensed interim financial statements for the six months and full year ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

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

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

#### **2.1. New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The adoption of the new standards has no significant impact on the condensed interim consolidated financial statements.

#### **2.2. Use of judgements and estimates**

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2022.

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

Management is of the opinion that there is no instance of application of judgement which is expected to have a significant impact on the amounts recognised in the Group's condensed interim financial statements for the six months and full year ended 31 December 2023.

## 2.3. Going concern assumption

The Group incurred a net loss of Rp702 billion for the financial year ended 31 December 2023, as of that date, the Group's current liabilities exceeded its current assets by approximately Rp1,372 billion. The Group also has a deficit in equity attributable to owners of the Company amounted to Rp981 billion and total net liabilities of Rp611 billion as at 31 December 2023.

The above conditions may cast a significant doubt on the ability of the Group and to continue in operational existence for the foreseeable future and to discharge its liabilities in the normal course of business.

Notwithstanding the above, the management is of the view that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 December 2023 is appropriate. Management believes that the Group will have sufficient working capital and will be able to pay its debts as and when they fall due, and the banks will continue to support the Group and are not aware of any adverse circumstances that might cause the Group's bank facilities to be withdrawn.

The Group will continue to improve its operating performance and generate sufficient cash flows from its operations to meet its working capital requirements. The Group is also expanding its operations into new locations in Indonesia to generate future additional revenue stream and positive operating cash flows for the Group.

## 3. Seasonal operations

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

## 4. Revenue and segment information

### 4.1. Revenue

|   | 6 months ended    |                   |        | 12 months ended   |                   |        |
|---|-------------------|-------------------|--------|-------------------|-------------------|--------|
|   | 31 Dec 2023       | 31 Dec 2022       | Change | 31 Dec 2023       | 31 Dec 2022       | Change |
|   | <i>Rp'million</i> | <i>Rp'million</i> | %      | <i>Rp'million</i> | <i>Rp'million</i> | %      |
| Domestic sales                                  | 473,939           | 627,225           | (24)   | 1,019,310         | 1,205,274         | (15)   |
| Export sales                                    | 483,754           | 832,287           | (42)   | 1,241,462         | 2,413,203         | (49)   |
| Total   | 957,693           | 1,459,512         | (34)   | 2,260,772         | 3,618,477         | (38)   |
| <b>Timing of transfer of goods and services</b> |                   |                   |        |                   |                   |        |
| At a point in time                              | 957,693           | 1,459,512         | (34)   | 2,260,772         | 3,618,477         | (38)   |

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### **4.2. 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:

1. SGS division – refers to the operations of PT Sumber Graha Sejahtera group of entities. This division principally in the business of manufacturing and sales of 1) primary processed timber products (main) such as general plywood and laminated veneer lumber and 2) secondary processed timber products such as truck, piano body parts and decking.
2. SGM division – refers to the operations of PT Sumber Graha Maluku group of entities. This division principally in the business of manufacturing and sales of primary processed timber products (main) such as general plywood and wood pellet. There are no operations during the financial year except for capital expenditure on the Mangole Project.
3. ST division – refers to the operations of Samko Timber Limited and Samko Trading Pte Ltd group of entities. This division principally trade in all types of timber products manufactured by the division, SGS division and third parties. This division also produces mainly secondary timber products such as doors and windows.

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

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

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

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### 4.2. Segment information (cont'd)

|  | SGS division      |                   | SGM division      |                   | ST division       |                   | Adjustment and elimination |                   | Per consolidated financial statements |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------------|-------------------|---------------------------------------|-------------------|
|  | 6 months ended    |                   | 6 months ended    |                   | 6 months ended    |                   | 6 months ended             |                   | 6 months ended                        |                   |
|  | 31 Dec 2023       | 31 Dec 2022       | 31 Dec 2023       | 31 Dec 2022       | 31 Dec 2023       | 31 Dec 2022       | 31 Dec 2023                | 31 Dec 2022       | 31 Dec 2023                           | 31 Dec 2022       |
|  | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i>          | <i>Rp'million</i> | <i>Rp'million</i>                     | <i>Rp'million</i> |
| <b>Revenue:</b>  |                   |                   |                   |                   |                   |                   |                            |                   |                                       |                   |
| External customers   | 575,058           | 867,689           | -                 | -                 | 382,635           | 591,823           | -                          | -                 | 957,693                               | 1,459,512         |
| Inter-segment  | 382,946           | 647,661           | -                 | -                 | -                 | -                 | (382,946)                  | (647,661)         | -                                     | -                 |
| <b>Total revenue</b>   | <b>958,004</b>    | <b>1,515,350</b>  | <b>-</b>          | <b>-</b>          | <b>382,635</b>    | <b>591,823</b>    | <b>(382,946)</b>           | <b>(647,661)</b>  | <b>957,693</b>                        | <b>1,459,512</b>  |
| Finance income   | 38                | 46                | 27                | 3                 | 7                 | 99                | -                          | -                 | 72                                    | 148               |
| Finance expenses   | (107,887)         | (74,297)          | (2,061)           | (531)             | (6,127)           | (16,067)          | -                          | -                 | (116,075)                             | (90,895)          |
| Depreciation of property, plant and equipment                | (27,062)          | (38,261)          | (1,786)           | (345)             | (224)             | (226)             | -                          | -                 | (29,072)                              | (38,832)          |
| Depreciation of right-of-use assets                          | (6,126)           | (6,864)           | (373)             | (360)             | (1,198)           | (1,605)           | -                          | -                 | (7,697)                               | (8,829)           |
| Amortisation of land use rights                              | (2,393)           | (2,101)           | (177)             | (1,232)           | (94)              | (94)              | -                          | -                 | (2,664)                               | (3,427)           |
| Post-employment benefits expense                             | (14,860)          | 16,195            | (1,042)           | 25                | (650)             | 444               | -                          | -                 | (16,552)                              | 16,664            |
| Net gain (loss) on change in fair value of biological assets | (10,605)          | (4,391)           | 133,075           | 55,036            | (3,143)           | -                 | -                          | -                 | 119,327                               | 50,645            |
| Net gain (loss) on disposal of property, plant and equipment | (14,691)          | 925               | 986               | (315)             | -                 | 243               | -                          | -                 | (13,705)                              | 853               |
| Net foreign exchange gain (loss)                             | (13,659)          | (49,808)          | (10,272)          | (20,304)          | (948)             | (3,772)           | -                          | -                 | (24,879)                              | (73,884)          |
| Inventories written-down                                     | (270)             | (5,800)           | -                 | -                 | (16)              | (9,049)           | -                          | -                 | (286)                                 | (14,849)          |
| Tax benefit (expenses)                                       | 631               | (20,716)          | (29,022)          | (12,488)          | 140               | (810)             | -                          | -                 | (28,251)                              | (34,014)          |
| Segment profit (loss)  | (476,555)         | (174,855)         | 72,210            | 30,978            | (65,102)          | (111,788)         | -                          | -                 | (469,447)                             | (255,665)         |

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### 4.2. Segment information (cont'd)

|  | SGS division      |                   | SGM division      |                   | ST division       |                   | Adjustment and elimination |                    | Per consolidated financial statements |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------------|--------------------|---------------------------------------|-------------------|
|  | 12 months ended   |                   | 12 months ended   |                   | 12 months ended   |                   | 12 months ended            |                    | 12 months ended                       |                   |
|  | 31 Dec 2023       | 31 Dec 2022       | 31 Dec 2023       | 31 Dec 2022       | 31 Dec 2023       | 31 Dec 2022       | 31 Dec 2023                | 31 Dec 2022        | 31 Dec 2023                           | 31 Dec 2022       |
|  | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i>          | <i>Rp'million</i>  | <i>Rp'million</i>                     | <i>Rp'million</i> |
| <b>Revenue:</b>  |                   |                   |                   |                   |                   |                   |                            |                    |                                       |                   |
| External customers   | 1,450,107         | 1,930,403         | -                 | -                 | 810,665           | 1,688,074         | -                          | -                  | 2,260,772                             | 3,618,477         |
| Inter-segment  | 781,753           | 1,664,443         | -                 | -                 | -                 | -                 | (781,753)                  | (1,664,443)        | -                                     | -                 |
| <b>Total revenue</b>   | <b>2,231,860</b>  | <b>3,594,846</b>  | <b>-</b>          | <b>-</b>          | <b>810,665</b>    | <b>1,688,074</b>  | <b>(781,753)</b>           | <b>(1,664,443)</b> | <b>2,260,772</b>                      | <b>3,618,477</b>  |
| Finance income   | 252               | 91                | 37                | 5                 | 11                | 163               | -                          | -                  | 300                                   | 259               |
| Finance expenses   | (188,614)         | (132,997)         | (2,103)           | (602)             | (15,253)          | (21,944)          | -                          | -                  | (205,970)                             | (155,543)         |
| Depreciation of property, plant and equipment                | (54,322)          | (78,932)          | (2,200)           | (697)             | (446)             | (532)             | -                          | -                  | (56,968)                              | (80,161)          |
| Depreciation of right-of-use assets                          | (11,736)          | (13,520)          | (747)             | (720)             | (2,362)           | (2,545)           | -                          | -                  | (14,845)                              | (16,785)          |
| Amortisation of land use rights                              | (4,499)           | (3,905)           | (627)             | (3,110)           | (188)             | (188)             | -                          | -                  | (5,314)                               | (7,203)           |
| Post-employment benefits expense                             | (34,854)          | (6,981)           | (1,096)           | (76)              | (1,140)           | (326)             | -                          | -                  | (37,090)                              | (7,383)           |
| Net gain (loss) on change in fair value of biological assets | (10,605)          | (4,391)           | 153,075           | 57,036            | (3,143)           | -                 | -                          | -                  | 139,327                               | 52,645            |
| Net gain (loss) on disposal of property, plant and equipment | (14,250)          | 17,330            | 9,403             | 826               | -                 | 243               | -                          | -                  | (4,847)                               | 18,399            |
| Net foreign exchange gain (loss)                             | 10,031            | (72,286)          | 9,703             | (22,219)          | 465               | (6,535)           | -                          | -                  | 20,199                                | (101,040)         |
| Inventories written-down                                     | (1,156)           | (5,878)           | -                 | -                 | (481)             | (9,049)           | -                          | -                  | (1,637)                               | (14,927)          |
| Tax benefit (expenses)                                       | (888)             | (24,338)          | (33,439)          | (14,148)          | (824)             | (442)             | -                          | -                  | (35,151)                              | (38,928)          |
| Segment profit (loss)  | (707,171)         | (181,491)         | 106,042           | 28,832            | (100,419)         | (99,764)          | -                          | -                  | (701,548)                             | (252,423)         |

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### 4.2. Segment information (cont'd)

|  | SGS division |             | SGM division |             | ST division |             | Adjustment and elimination |             | Per consolidated financial statements |             |
|--|--------------|-------------|--------------|-------------|-------------|-------------|----------------------------|-------------|---------------------------------------|-------------|
|  | As at        |             | As at        |             | As at       |             | As at                      |             | As at                                 |             |
|  | 31 Dec 2023  | 31 Dec 2022 | 31 Dec 2023  | 31 Dec 2022 | 31 Dec 2023 | 31 Dec 2022 | 31 Dec 2023                | 31 Dec 2022 | 31 Dec 2023                           | 31 Dec 2022 |
|  | 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                        | 93,471       | 82,665      | 229          | 67          | 6,625       | 7,197       | -                          | -           | 100,325                               | 89,929      |
| Segment assets                             | 2,509,219    | 2,567,725   | 2,297,309    | 1,258,137   | 1,193,993   | 1,157,275   | (1,717,427)                | (1,294,914) | 4,283,094                             | 3,688,223   |
| <b>Expenditures for segment</b>            |              |             |              |             |             |             |                            |             |                                       |             |
| Additions to property, plant and equipment | 164,367      | 105,061     | 924,886      | 372,061     | 164         | 199         | -                          | -           | 1,089,417                             | 477,321     |
| Additions to right-of-use assets           | 5,522        | 15,001      | 9,737        | 1,494       | 1,214       | 5,196       | -                          | -           | 16,473                                | 21,691      |
| Additions to land use rights               | -            | 12,184      | -            | -           | -           | -           | -                          | -           | -                                     | 12,184      |
| <b>Liabilities:</b>                        |              |             |              |             |             |             |                            |             |                                       |             |
| Loans and borrowings and lease liabilities | 1,872,085    | 1,703,988   | 1,112,263    | 503,991     | 109,271     | 173,959     | -                          | -           | 3,093,619                             | 2,381,938   |
| Provision for taxation                     | 3,892        | 2,255       | 754          | 1,511       | 188         | 121         | -                          | -           | 4,834                                 | 3,887       |
| Deferred tax liabilities                   | 18,636       | 18,386      | 118,919      | 52,015      | (0)         | -           | (33,171)                   | -           | 104,384                               | 70,401      |
| Segment liabilities                        | 3,175,195    | 2,711,758   | 1,533,792    | 688,224     | 999,423     | 752,057     | (814,254)                  | (594,302)   | 4,894,156                             | 3,557,737   |

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### 4.3. Geographical markets

|                  | 6 months ended    |                   |        | 12 months ended   |                   |        |
|------------------|-------------------|-------------------|--------|-------------------|-------------------|--------|
|                  | 31 Dec 2023       | 31 Dec 2022       | Change | 31 Dec 2023       | 31 Dec 2022       | Change |
|                  | <i>Rp'million</i> | <i>Rp'million</i> | %      | <i>Rp'million</i> | <i>Rp'million</i> | %      |
| <u>Domestic:</u> |                   |                   |        |                   |                   |        |
| Indonesia        | 473,939           | 627,225           | (24)   | 1,019,310         | 1,205,274         | (15)   |
|                  | 473,939           | 627,225           | (24)   | 1,019,310         | 1,205,274         | (15)   |
| <u>Overseas:</u> |                   |                   |        |                   |                   |        |
| North Asia       | 249,174           | 301,529           | (17)   | 542,069           | 1,000,924         | (46)   |
| North America    | 144,792           | 207,657           | (30)   | 412,250           | 836,558           | (51)   |
| South East Asia  | 69,889            | 311,621           | (78)   | 253,777           | 562,102           | (55)   |
| Others           | 19,898            | 11,481            | 73     | 33,366            | 13,619            | 145    |
|                  | 483,754           | 832,287           | (42)   | 1,241,462         | 2,413,203         | (49)   |
|                  | 957,693           | 1,459,512         | (34)   | 2,260,772         | 3,618,477         | (38)   |

### 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2023 and 2022:

|  | Group             |                   | Company           |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 31 Dec 2023       | 31 Dec 2022       | 31 Dec 2023       | 31 Dec 2022       |
|  | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> |
| Trade receivables, net of allowance                      |                   |                   |                   |                   |
| - Third parties  | 193,303           | 342,346           | -                 | -                 |
| Other receivables, net of allowance                      |                   |                   |                   |                   |
| - Third parties  | 16,629            | 113,757           | -                 | 8                 |
| - Related parties  | -                 | 831               | -                 | -                 |
| - Subsidiaries   | -                 | -                 | 5,900             | 16,943            |
| Total trade and other receivables                        | 209,932           | 456,934           | 5,900             | 16,951            |
| Less: Other receivables                                  | -                 | (109,499)         | -                 | -                 |
| Add:   |                   |                   |                   |                   |
| - Cash and cash equivalents                              | 30,372            | 26,882            | 215               | 692               |
| - Restricted deposits                                    | -                 | 25                | -                 | -                 |
| - Guarantee deposits                                     | 5,711             | 4,739             | 114               | 116               |
| <b>Total financial assets carried at amortised costs</b> | <b>246,015</b>    | <b>379,081</b>    | <b>6,229</b>      | <b>17,759</b>     |

The management believes that the allowance for impairment losses provided is adequate to cover possible losses on uncollectible receivables.



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

|   | Group            |                  | Company        |                |
|---|------------------|------------------|----------------|----------------|
|   | 31 Dec 2023      | 31 Dec 2022      | 31 Dec 2023    | 31 Dec 2022    |
|   | Rp'million       | Rp'million       | Rp'million     | Rp'million     |
| Trade payables  |                  |                  |                |                |
| - Third parties   | 693,223          | 623,543          | -              | -              |
| - Related parties   | 816              | -                | -              | -              |
| - Subsidiaries  | -                | -                | 4,026          | 4,109          |
| Other payables  |                  |                  |                |                |
| - Third parties   | 318,621          | 134,319          | 1,763          | 762            |
| - Related parties   | 466              | 13               | -              | -              |
| - Subsidiaries  | -                | -                | 185,633        | 116            |
| Total trade and other payables                                    | 1,013,126        | 757,875          | 191,422        | 4,987          |
| Add:  |                  |                  |                |                |
| - Other liabilities*  | 62,605           | 57,021           | 287,447        | 296,995        |
| - Loans and borrowings  | 3,071,858        | 2,361,710        | -              | -              |
| - Lease liabilities   | 21,761           | 20,228           | -              | -              |
| <b>Total financial liabilities<br/>carried at amortised costs</b> | <b>4,169,350</b> | <b>3,196,834</b> | <b>478,869</b> | <b>301,982</b> |

\* excludes post-employment benefits and value added tax

### 6. Profit (loss) before taxation

#### 6.1. Significant items

|   | 6 months ended |             |        | 12 months ended |             |        |
|---|----------------|-------------|--------|-----------------|-------------|--------|
|   | 31 Dec 2023    | 31 Dec 2022 | Change | 31 Dec 2023     | 31 Dec 2022 | Change |
|   | Rp'million     | Rp'million  | %      | Rp'million      | Rp'million  | %      |
| Interest expenses:  |                |             |        |                 |             |        |
| - loans and borrowings  | (102,842)      | (85,863)    | 20     | (189,282)       | (145,387)   | 30     |
| - lease liabilities   | (766)          | (716)       | 7      | (1,307)         | (1,630)     | (20)   |
| Depreciation:   |                |             |        |                 |             |        |
| - property, plant and equipment                                 | (29,072)       | (38,832)    | (25)   | (56,968)        | (80,161)    | (29)   |
| - right-of-use assets   | (7,697)        | (8,829)     | (13)   | (14,845)        | (16,785)    | (12)   |
| Net foreign exchange gain (loss)                                | (24,879)       | (73,884)    | (66)   | 20,199          | (101,040)   | n.m    |
| Post-employment benefits<br>(expense) reversal                  | (16,552)       | 16,664      | n.m    | (37,090)        | (7,383)     | 402    |
| Allowance for impairment<br>losses for financial assets, net    | (2,578)        | (9,648)     | (73)   | (2,578)         | (9,648)     | (73)   |
| Amortisation of land use rights                                 | (2,664)        | (3,427)     | (22)   | (5,314)         | (7,203)     | (26)   |
| Interest income   | 72             | 148         | (51)   | 300             | 259         | 16     |
| Inventories written-down  | (286)          | (14,849)    | n.m    | (1,637)         | (14,927)    | n.m    |
| Net (loss) gain on disposal of<br>property, plant and equipment | (13,705)       | 853         | n.m    | (4,847)         | 18,399      | n.m    |
| Net gain on change in fair value of<br>biological assets        | 119,327        | 50,645      | 136    | 139,327         | 52,645      | 165    |
| Idle capacity costs *   | (57,940)       | -           | n.m    | (74,670)        | -           | n.m    |

\*) Included in "Other expenses"

n.m : not meaningful

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\* Since February 2023, the Group's non-profitable facility in Sulawesi was temporarily shut-down. Due to its abnormal unabsorbed costs incurred in nature, the depreciation, salary and other overhead costs were put together under the idle capacity costs in other expenses. In January 2024, we already commenced the production in this Sulawesi facility so the Group expects to have no more idle capacity costs from Sulawesi facility in FY 2024.

### 6.2. Related party transactions

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

### 7. Taxation

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

|  | 6 months ended |             |        | 12 months ended |             |        |
|--|----------------|-------------|--------|-----------------|-------------|--------|
|  | 31 Dec 2023    | 31 Dec 2022 | Change | 31 Dec 2023     | 31 Dec 2022 | Change |
|  | Rp'million     | Rp'million  | %      | Rp'million      | Rp'million  | %      |
| Current income tax                         | -              | (1,268)     | (100)  | (59)            | (3,243)     | (98)   |
| Deferred tax expense                       | (28,444)       | (28,109)    | 1      | (35,256)        | (30,810)    | 14     |
| Over (under) provision of prior year taxes | 193            | (4,637)     | n.m    | 164             | (4,875)     | n.m    |
| Total                                      | (28,251)       | (34,014)    | (17)   | (35,151)        | (38,928)    | (10)   |

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

During the year, the Group recognised deferred tax expense arising mainly from the recognition of net gain on change in fair value of biological assets.

### 8. Net asset value

|   | Group         |               | Company       |               |
|---|---------------|---------------|---------------|---------------|
|   | 31 Dec 2023   | 31 Dec 2022   | 31 Dec 2023   | 31 Dec 2022   |
| Net assets for the year attributable to owners of the Company used in computation of net asset value per share (Rp'million) | (980,754)     | (188,177)     | 540,143       | 542,382       |
| Number of ordinary shares at the end of the year  | 2,408,171,095 | 2,408,171,095 | 2,408,171,095 | 2,408,171,095 |
| Net asset value per ordinary share (Rp full amount)   | (407)         | (78)          | 224           | 225           |

Net asset value per ordinary share after the rights issue was minus Rp113 based on the number of ordinary shares after the rights issue of 8,646,408,068 shares as at the allotment and issuance of shares on 4 January 2024.

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### 9. Financial assets at fair value through other comprehensive income

#### 9.1. Fair value measurement

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

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

The following table presented the assets measured at fair value:

| Group                            | Quoted prices<br>in active<br>markets for<br>identical<br>instruments | Significant<br>observable<br>inputs other<br>than quoted<br>prices | Significant<br>unobservable<br>inputs | Total             |
|----------------------------------|---|--|---------------------------------------|-------------------|
|                                  | (Level 1)<br><i>Rp'million</i>  | (Level 2)<br><i>Rp'million</i>                                     | (Level 3)<br><i>Rp'million</i>        | <i>Rp'million</i> |
| <b>As at 31 Dec 2023</b>         |   |  |                                       |                   |
| <b>Non-financial assets</b>      |   |  |                                       |                   |
| Biological assets                | -   | -  | 641,227                               | 641,227           |
| <b>As at 31 Dec 2022</b>         |   |  |                                       |                   |
| <b>Financial liabilities</b>     |   |  |                                       |                   |
| Derivative financial instruments | -   | 2,116  | -                                     | 2,116             |
| <b>Non-financial assets</b>      |   |  |                                       |                   |
| Biological assets                | -   | -  | 495,535                               | 495,535           |

### 10. Property, plant and equipment

During the year ended 31 December 2023, the Group acquired assets amounting to Rp1,089 billion (31 December 2022: Rp477 billion), consisting mainly of assets for the production facilities and new machineries for the Mangole Project.

The capital expenditure for the Mangole Project is expected to be US\$91 million of which US\$84 million (including interest and other expenditure) have been incurred as at 31 December 2023. Capital expenditure is supported by new bank OCBC loan facility amounting to US\$84 million, made up of US\$74 million facility for capital expenditure of property, plant and equipment and biological assets, and US\$10 million facility for working capital.

### 11. Valuation

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

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### 12. Borrowings

#### Amount repayable in one year or less, or on demand

| As at 31 Dec 2023 |                   | As at 31 Dec 2022 |                   |
|-------------------|-------------------|-------------------|-------------------|
| Secured           | Unsecured         | Secured           | Unsecured         |
| <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> |
| 1,382,314         | 273,903           | 1,161,899         | 273,914           |

#### Amount repayable after one year

| As at 31 Dec 2023 |                   | As at 31 Dec 2022 |                   |
|-------------------|-------------------|-------------------|-------------------|
| Secured           | Unsecured         | Secured           | Unsecured         |
| <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> |
| 1,415,641         | -                 | 925,897           | -                 |

As at 31 December 2023, our bank borrowings are secured by land use rights, buildings and improvements, machineries and heavy equipment, inventories, trade receivables, bank balances of a subsidiary, and corporate guarantee from the Company.

All other assets of the subsidiaries are on negative pledge to the financial institution and some restriction on dividend payment is imposed.

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The breakdown of the loan facilities along with the unutilized amounts as follows:

| Banks          | Term of the Loan             | Subsidiary                  | Currency   | Facility  | Loan Balance<br>(Utilised<br>Facilities<br>Less<br>Repayment) | Unutilised<br>Facilities |
|----------------|------------------------------|-----------------------------|------------|-----------|---|--------------------------|
| Secured loan   | Working Capital *)           | PT Sumber Graha Sejahtera   | US\$'000   | 2,000     | 2,000   | -                        |
|                | Term Loan **)                | PT Sumber Graha Sejahtera   | Rp'million | 150,000   | 53,125  | n.a                      |
|                | Working Capital *)           | PT Sumber Graha Sejahtera   | Rp'million | 392,550   | 392,492   | 58                       |
|                | Working Capital *)           | PT Sumber Graha Sejahtera   | US\$'000   | 2,000     | 2,000   | -                        |
|                | New TRF - Working Capital *) | PT Sumber Graha Sejahtera   | US\$'000   | 20,000    | 4,038   | 15,962                   |
|                | Term Loan ***)               | PT Mangole Timber Producers | US\$'000   | 74,000    | 63,701  | 10,299                   |
|                | Working Capital *)           | PT Mangole Timber Producers | US\$'000   | 10,000    | 8,850   | 1,150                    |
| Secured loan   | Working Capital *)           | Samko Trading Pte Ltd       | US\$'000   | 5,000     | 5,000   | -                        |
| Secured loan   | Working Capital *)           | PT Sumber Graha Sejahtera   | US\$'000   | 10,000    | 9,995   | 5                        |
| Secured loan   | Working Capital *)           | PT Sumber Graha Sejahtera   | US\$'000   | 15,000    | 15,000  | -                        |
|                | Term Loan                    | PT Sumber Graha Sejahtera   | US\$'000   | 15,000    | 10,627  | n.a                      |
| Secured loan   | Term Loan                    | PT Sumber Graha Sejahtera   | US\$'000   | 20,000    | 15,500  | n.a                      |
| Unsecured loan | Working Capital *)           | PT Sumber Graha Sejahtera   | Rp'million | 200,000   | 200,000   | -                        |
| Secured loan   | Working Capital *)           | PT Sumber Graha Sejahtera   | US\$'000   | Eq        | 4,426   | Eq US\$32                |
|                |                              |                             | Rp'million | US\$6,000 | 23,763  |                          |
| Secured loan   | Working Capital *)           | PT Sumber Graha Sejahtera   | US\$'000   | Eq        | 522   | Eq US\$180               |
|                |                              |                             | Rp'million | US\$2,000 | 20,013  |                          |
| Unsecured loan | Working Capital *)           | PT Sumber Graha Sejahtera   | Rp'million | 60,000    | 59,934  | 66                       |
|                | Working Capital              | PT Anugrah Karunia Alam     | Rp'million | 15,000    | 13,968  | 1,032                    |
| Secured loan   | Medium term notes ****)      | PT Sempurna Graha Abadi     | US\$'000   | 3,000     | 3,000   | -                        |
|                | Medium term notes ****)      | PT Sempurna Graha Abadi     | US\$'000   | 3,000     | 3,000   | -                        |
|                | Medium term notes ****)      | PT Sempurna Graha Abadi     | Rp'million | 15,000    | 15,000  | -                        |
|                | Medium term notes ****)      | PT Anugrah Karunia Alam     | Rp'million | 15,000    | 15,000  | -                        |
| Secured loan   | Medium term notes ****)      | PT Sempurna Graha Abadi     | Rp'million | 15,000    | 15,000  | -                        |

\* Working capital loans are generally short-term in nature and will be rolled-over at expiry and maturity

\*\* Term loan have installment payments of Rp37,500 million in 2024 and Rp15,625 million in 2025

\*\*\* Term loan have installment payments of US\$3.2 million in 2024, US\$9.5 million in 2025, US\$11.1 million in 2026, US\$12.7 million in 2027, US\$12.7 million in 2028, and US\$14.5 million in 2029

\*\*\*\* Medium term notes have maturity from 2024 to 2026

n.a : not applicable

The loans were used for capital expenditures, general working capital purposes, pre-shipment financing, post import financing non letter of credit or trade purchase financing, and foreign exchange line. As at 31 December 2023, the Group has at its disposal unused loan facilities amounting to US\$28 million US\$ facilities and Rp1 billion Rp facilities to drawdown, if required.

In May 2023, the subsidiary obtained a new working capital facility up to US\$2 million and a foreign exchange facility of up to US\$2 million to finance the Group's working capital. These bank facilities are secured by certain land use rights, buildings and improvements, machineries, inventories, and trade receivables.

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In May 2023, the subsidiary obtained a new medium-term note facility up to Rp15 billion to finance the Group's working capital. The medium-term note is secured by a land use right.

In July 2023, the subsidiary has repaid medium-term notes facilities up to Rp30 billion, and a medium-term note facility up to US\$3 million.

In July 2023, the subsidiary obtained new medium-term notes facilities up to Rp30 billion and up to US\$6 million to finance the Group's working capital. The medium-term note is secured by a land use right.

The Group believes that, after taking into account, the Group's present bank facilities, internal resources and operating cash flows, and after the Board and Management reviewed the 12-month cashflow forecast from the date of the latest financial statements, the working capital available to the Group is sufficient to meet its present requirements, mainly due to:

- a) the net proceeds from the rights issue of S\$18,714,711 or equivalent to Rp218 billion will strengthen the Group's financial position and provide the financial flexibility to seize opportunities for business growth.
- b) the Group has the ability to operate as a going concern due to the following:
  - 1) the Sampoerna family, who is the substantial shareholder of the Company, continued support of the Group by participating in the rights issue, showing its confidence and optimism about the future prospect of the Group;
  - 2) as at 31 December 2023, a subsidiary of the Company, PT Sumber Graha Sejahtera, has not met certain financial covenant ratios requirement as set out in the loan agreement with some of its lenders, and those lenders have granted the subsidiary waivers of having to comply with such covenant ratios;
  - 3) the lenders continue to support the subsidiary as there is no loans repayment default and the breach is technical in nature. The subsidiary has been servicing the repayments of the loan principal and its interest as and when they fall due and the utilisation of the borrowing facilities continues as usual as of the date of this announcement;
  - 4) to improve the performance and liquidity, the Board is exploring other option to raise additional funding through disposal of one of the assets available for sale - factory and land located in Balaraja, Tangerang, West Java, and will continue to monitor the situation and may undertake these actions as and when necessary;
- c) the Group will continue to improve its operating performance and generate sufficient cash flows from its operations to meet the working capital requirements, and will negotiate with the lenders to reduce the financial covenant ratios requirement, upon the completion of the rights issue; and
- d) the Group will have sufficient working capital to pay its debts as and when they fall due, and the lenders are not aware of any adverse circumstances that might cause the Group's bank facilities to be withdrawn. Although PT Sumber Graha Sejahtera is still in breach of the financial covenant ratios requirement, and prompting a thorough review of the financial stability, four major lenders (PT Bank OCBC NISP Tbk, PT Bank Mandiri Tbk, PT Bank Central Asia Tbk, and PT Bank Capital Tbk) have rolled over short-term borrowing facilities up to FY2024, demonstrating not only their confidence in the Group's ability to rectify the financial situation, but also their long-term commitment to support the Group's growth and success in a volatile business environment.

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### 13. Share capital

|   | Group and Company            |                                       |                              |                                       |
|---|------------------------------|---------------------------------------|------------------------------|---------------------------------------|
|   | As at 31 Dec 2023            |                                       | As at 31 Dec 2022*           |                                       |
|   | Number of<br>ordinary shares | Share<br>capital<br><i>Rp'million</i> | Number of<br>ordinary shares | Share<br>capital<br><i>Rp'million</i> |
| Beginning of the year   | 2,408,171,095                | 545,713                               | 2,395,703,563                | 542,889                               |
| Issuance of ordinary shares under<br>Samko Performance Share Plan | -                            | -                                     | 12,467,532                   | 2,824                                 |
| <b>End of the year</b>  | <b>2,408,171,095</b>         | <b>545,713</b>                        | <b>2,408,171,095</b>         | <b>545,713</b>                        |

The Company did not have any treasury shares, subsidiary holdings or other convertibles, and the Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 2022.

### 14. Performance share plan

Share Awards vested and released during the financial year of 2023 and 2022, and Share Awards outstanding as at 31 December 2023 and 2022, were set out as follows:

| Total Number of Issued Shares<br>Excluding Treasury Shares and Subsidiary Holdings |               |                            |               |
|--|---------------|----------------------------|---------------|
| No. of Shares  |               | No. of Shares              |               |
| As at 1 Jan 2023   | 2,408,171,095 | As at 1 Jan 2022           | 2,395,703,563 |
| Add: Issuance of<br>shares   | -             | Add: Issuance of<br>shares | 12,467,532    |
| As at 31 Dec 2023  | 2,408,171,095 | As at 31 Dec 2022          | 2,408,171,095 |

| Shares Awards Issued and<br>Outstanding Share Awards |   |                               |            |
|--|---|-------------------------------|------------|
| No. of Shares Awards                                 |   | No. of Shares Awards          |            |
| As at 1 Jan 2023                                     | - | As at 1 Jan 2022              | 12,467,532 |
| Less: Shares<br>Awards Issued                        | - | Less: Shares<br>Awards Issued | 12,467,532 |
| As at 31 Dec 2023                                    | - | As at 31 Dec 2022             | -          |

As at 31 December 2023 and 2022, there were no more outstanding Share Awards under the Samko PSP that may be vested and released in the capital of the Company.

### 15. Subsequent events

During the 6 months ended 2023, 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 S\$18,714,711 or equivalent to Rp218 billion. 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.

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### **F. Other information required by Listing Rule Appendix 7.2**

#### **1. Review**

The condensed consolidated statement of financial position of Samko Timber Limited and its subsidiaries as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period ended and certain explanatory notes have not been audited or reviewed.

#### **2. Review of performance of the Group**

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

Our Group reported a net loss of Rp702 billion in FY 2023 as compared to a net loss of Rp252 billion in FY 2022. Our overall performance in FY 2023 has been significantly affected mainly by lower sales and gross loss incurred. Besides, our results for FY 2023 were also affected mainly by higher interest and general and administrative expenses, offset by lower selling expenses, net foreign exchange gain and net gain on change in fair value of biological assets.

The Group reported a net loss of Rp469 billion in 2H 2023. Save for the savings in selling expenses in 2H 2023, the performance was affected mainly by the same factors as mentioned above.

##### **Revenue**

In 2H and FY 2023, our sales revenue was lower by 34% and 38% as compare to 2H and FY 2022, due mainly to our sales volume dropped by 25% and 24%, followed by lower average selling price by 14% and 18% in 2H and FY 2023 as compare to 2H and FY 2022.

The composition of our export sales to overall sales decreased from 67% in FY 2022 to 55% in FY 2023.

##### **Gross loss**

The Group incurred gross loss in 2H and FY 2023 as compare to gross profit in 2H and FY 2022 due mainly to lower sales volume and also lower average selling price as mentioned above.

##### **Other income (expenses)**

In 2H and FY 2023, other income came mainly from the net gain on foreign exchange and change in fair value of biological assets, and offset by the idle capacity costs incurred during the year.

The weakening of US Dollar against Rupiah has resulted in unrealised foreign exchange gain due to translation of our US Dollar denominated loans.

##### **Selling expenses**

Our selling expenses decreased by 29% and 37% in 2H and FY 2023 as compared to 2H and FY 2022, due mainly to lower logistics costs as the global supply chain pressures were easing as a result of the slow-down in the global business activities.



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

#### **General and administrative expenses**

Our general and administrative expenses increased by 27% and 12% in 2H and FY 2023 as compared to 2H and FY 2022, mainly due to the normalization of pension expenses during the year. In FY 2022, the Company adopted a new scheme of employee benefit under the new Labor Law in Indonesia causing the reduction of post-employment benefits.

#### **Finance Expenses**

Our finance expenses relate mainly to interest expense. The increase was mainly due to drawdown of additional loans for capital expenditure and working capital and higher interest rate.

#### ***Condensed interim statement of financial position***

The Group's property, plant and equipment increased by Rp966 billion mainly due to the addition of assets primarily for machineries and production facilities and offset by depreciation charges during the year.

Our biological assets increased by Rp146 billion mainly due to the net gain on change in fair value of biological assets and capitalization of plantation costs.

In FY 2023, our Group's current assets have decreased to Rp1,494 billion. The decrease was mainly due to:

1. lower trade receivables which were in line with the decrease in sales revenue;
2. lower inventories in line with the decrease in production volume;
3. lower advance to suppliers mainly due to realization of advances for property, plant and equipment needed for the Mangole Project; and
4. lower prepaid operating expenses. Prepayments were made in the ordinary course of business, mainly for VAT receivables and income taxes, insurance, rental, and freight

As at 31 December 2023, our Group's current and non-current liabilities have increased by Rp1,336 billion to Rp4,894 billion. This was contributed mainly by:

1. higher trade and other payables of Rp255 billion as a result of the Management trying to manage the working capital;
2. increase in loans and borrowings and lease liabilities totaling Rp712 billion to finance the investment activities and operations; and
3. increase in advances from customers totaling Rp260 billion

#### ***Condensed interim consolidated statement of cash flows***

During the year, the Group generated cash inflow of Rp404 billion from operating activities and Rp604 billion from financing activities, and incurred cash outflow of Rp1,004 billion from investing activities, respectively. Net cash increased by Rp4 billion.

Our cash generated from operating activities was marginally higher compared to FY 2022 mainly due to advances from customers and better inventories and trade receivables turnover.

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

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

Our cash inflow in the financing activities related mainly to net withdrawals of bank borrowings. The repayments of bank borrowings, lease liabilities, and their interests were in accordance with the repayments schedule.

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

Not applicable

### 4. A commentary at the date of the announcement of the trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

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

| Indonesia Rupiah to<br>US Dollar exchange<br>rates | (Weakened) /<br>strengthened | Loss after tax for<br>the year<br>Rp702 billion<br>(Increase)/<br>decrease<br>Rp'million |
|--|------------------------------|--|
| <i>Rp'full amount</i>                              |                              |  |
| 16,341   | (6%)                         | (47,942)   |
| 16,033   | (5%)                         | (31,961)   |
| 15,724   | (2%)                         | (15,980)   |
| 15,108   | 2%                           | 15,980   |
| 14,799   | 4%                           | 31,961   |
| 14,491   | 6%                           | 47,942   |

Our US\$ loans as at 31 December 2023 and 2022 were US\$148 million and US\$97 million.

| Exchange rate:     | <u>Rp/US\$1</u> |
|--------------------|-----------------|
| - 29 February 2024 | Rp15,673        |
| - 31 December 2023 | Rp15,416        |
| - 31 December 2022 | Rp15,731        |

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**4. A commentary at the date of the announcement of the trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months (cont'd)**

- 2) The combination of an aggressive rate hiking cycle by Central Banks around the world has created a slowdown in the global economic activities and volatility in the global economy. This has affected the demand for our products and any prolong adverse effect may impact the Indonesian economy.
- 3) As the current unfavorable business environment continues to adversely affect our profitability and production capacity, the Management has undertaken some actions to allay some of the liquidity pressures in the near term. The Management has successfully completed the rights issue by early 2024 and has raised a total of Rp218 billion through the exercise. In 2024, the Management will dispose of non-core assets, one of the assets available for sale are factory and land located in Balaraja, Tangerang, West Java. In addition, the Management has also instituted stricter cost control to enable the Group to help improve the financial position.
- 4) Following the asset acquisition in SGM for the Mangole project in 2019, the Group has substantially completed the construction of the factory buildings and infrastructures, along with the installation of some machineries needed for production of wood pellet. For the production of plywood, the Group expects to commence production in stages in the coming months. The Mangole project will provide the opportunity to enhance the Group's production capacity for high quality Plywood and certified Wood Pellet.

**5. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

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

**(b) Corresponding Period of the Immediately Preceding Financial Period**

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

No.

**(c) Date payable**

Not applicable.

**(d) Record date**

Not applicable.

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

No dividend for financial year ended 31 December 2023 has been declared because of the accumulated losses.

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### 7. Interested person transactions

The following is the aggregate value of all transactions with interested persons for the year ended 31 December 2023:

| <i>Name of interested person</i>                      | <i>Nature of relationship</i>   | <i>Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</i> | <i>Aggregate value of all interested person transactions conducted during the financial period under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</i> |
|---|---|--|---|
|   |   | <i>Rp'million</i>  | <i>Rp'million</i>   |
| PT Sampoerna Land<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) | 7,411  | -   |
| PT Bank Sahabat Sampoerna<br>- <i>Finance expense</i> |   | 9.463  | -   |

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

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

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

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

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

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On behalf of the Board of Directors

Eka Dharmajanto Kasih  
Non-Executive Chairman

Riko Setyabudhy Handoko  
Executive Director and Chief Executive Officer

Singapore  
29 February 2024