

SAMKO TIMBER LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200517815M)

RENEWAL OF LEASE BY PT SUMBER GRAHA SEJAHTERA AND PT MANGOLE TIMBER PRODUCERS, BOTH SUBSIDIARIES OF SAMKO TIMBER LIMITED, ENTERED INTO WITH PT SAMPOERNA LAND AS AN INTERESTED PERSON TRANSACTION PURSUANT TO CHAPTER 9 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

1. INTRODUCTION

1.1. The board of directors (the “**Board**” or “**Directors**”) of Samko Timber Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that:

- (a) PT Sumber Graha Sejahtera (“**SGS**”), its wholly owned subsidiary, had on 29 December 2022 renewed the lease of its office space in Jakarta, the Republic of Indonesia (the “**SGS Premises**”), by way of an amendment (the “**Amended Lease Agreement of SGS**”) to the original lease agreement dated 20 March 2017 entered into with PT Sampoerna Land (“**SL**”) the details of which are stated in Section 3.1 below.

The Company holds directly and indirectly, through one of its subsidiary PT Sari Alam Sejahtera, together 100% shares in SGS.

- (b) PT Mangole Timber Producers (“**MTP**”), its subsidiary, had on 29 December 2022 renewed the lease of its office space in Jakarta, the Republic of Indonesia (“**Indonesia**”) (the “**MTP Premises**”), by way of an amendment (the “**Amended Lease Agreement of MTP**”) to the original lease agreement dated 13 November 2019 entered into with PT Sampoerna Land (“**SL**”) the details of which are stated in Section 3.2 below.

The Company, through one of its subsidiaries, i.e. PT Sumber Graha Abadi, holds 51% shares ownership in PT Sumber Graha Maluku, a holding company which holds 100% shares in MTP.

The Amended Lease Agreement of SGS and Amended Lease Agreement of MTP are collectively referred to as the “**Amended Lease Agreements**”.

1.2. On the basis of:

- (a) SGS and MTP, each being an “**entity at risk**” within the meaning of Chapter 9 of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) by virtue of SGS being a wholly-owned subsidiary of the Company and MTP being a 51% owned in-direct subsidiary of the Company; and
- (b) SL being an “**interested person**” within the meaning of Chapter 9 of the Listing Manual (on the basis set out in Section 2 below),

each of the lease of the SGS Premises pursuant to the Amended Lease Agreement of SGS and the lease of the MTP Premises pursuant to the Amended Lease Agreement of MTP is accordingly regarded to be an “**interested person transaction**” (each, the “**IPT**” and collectively the “**IPTs**”) within the meaning of Chapter 9 of the Listing Manual of the SGX-ST.

2. DETAILS OF THE INTERESTED PERSON

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) in SL, a company incorporated in Indonesia. Accordingly, SL is considered to be an associate of Mr Michael

Joseph Sampoerna, and is therefore an “interested person” within the meaning of Chapter 9 of the Listing Manual of the SGX-ST.

3. DETAILS OF THE IPT

3.1. Amended Lease Agreement of SGS

SGS had on 29 December 2022 entered into the Amended Lease Agreement of SGS with SL to renew the lease of certain parts of the office space in Jakarta, Indonesia, as referred to in the Section 3.1 (a), (b) and (c) below, by way of an amendment to the original lease agreement dated 20 March 2017 pursuant to which the North Tower Level 20, North Tower Level 21 and South Tower LG AS-26 (as hereinafter defined below in Section 3.1 (a), (b) and (c)) leased from SL comprised an aggregate area of 1.898,84 square meter for a term of two (2) years commencing on 1 January 2023 and expiring on 31 December 2024.

Following the Amended Lease Agreement of SGS, the SGS Premises (as hereinafter defined below as SGS North Tower Level 20, North Tower Level 21 and South Tower LG AS-26) being leased from SL comprised an aggregate area of 1.898,84 square meter as follows:-

- (a) Two (2) office space areas of respectively 292.10 square metres and 339.20 square metres, located on the 20th floor of the North Tower (the “**SGS North Tower Level 20**”) of Sampoerna Strategic Square, Jl Jenderal Sudirman Kav 45-46 Jakarta 12930, Indonesia (the “**Sampoerna Building**”), with the total rental fee of IDR 2,863,576,800 (approximately SGD 245,611 based on the Illustrative Exchange Rate¹), and total service charge of IDR 1,636,329,600 (approximately SGD 140,349 based on the Illustrative Exchange Rate¹);
- (b) One (1) office space area of 1,258.54 square meter on the 21st floor of the North Tower of the Sampoerna Building (the “**North Tower Level 21**”), with the total rental fee of IDR 5,708,737,440 (approximately SGD 489,642 based on the Illustrative Exchange Rate¹), and total service charge of IDR 3,262,135,680 (approximately SGD 279,795 based on the Illustrative Exchange Rate¹); and
- (c) One (1) storage area of 9 square meter on the lower ground floor of the South Tower of the Sampoerna Building (the “**South Tower LG AS-26**”), with the total rental fee of IDR 32,400,000 (approximately SGD 2,779 based on the Illustrative Exchange Rate¹). No service charge is payable in relation to the lease of the South Tower LG AS-26.

NOTE:

- The monthly base rent of SGS North Tower Level 20 and North Tower Level 21 is IDR 189,000 (approximately SGD 16.21 based on the Illustrative Exchange Rate¹) per square meter (the current monthly base rent of SGS North Tower Level 20 and North Tower Level 21 **has not changed** from the previous rental fee), and the monthly service charge is IDR 108,000 (approximately SGD 9.26 based on the Illustrative Exchange Rate¹) per square meter (the current monthly base service charge of SGS North Tower Level 20 and North Tower Level 21 **has increased** from IDR 99,000 to IDR 108,000 per square meter);
- The monthly base rent of South Tower LG AS-26 is IDR 150,000 (approximately SGD 12.87 based on the Illustrative Exchange Rate¹) per square meter;
- The rental and service charge are paid quarterly in advance.

3.2. Amended Lease Agreement of MTP

¹ For the purposes of this announcement, the “**Illustrative Exchange Rate**” refers to the approximate exchange rate of SGD 1.00: IDR 11,659 as at 30 December 2022 (Bank Indonesia middle rate). The Illustrative Exchange Rate is solely for illustrative purposes and should not be construed as a representation that the relevant amounts have been or could be converted at this rate or at any other rate.

MTP had on 29 December 2022 entered into the Amended Lease Agreement of MTP with SL to renew the lease of certain parts of the office space in Jakarta, Indonesia, as referred to in the paragraph below, by way of an amendment to the original lease agreement dated 13 November 2019 pursuant to which the North Tower Level 20 (as defined in paragraph below) leased from SL comprised an aggregate area of 230,45 square meter for a term of two (2) years commencing on 1 January 2023 and expiring on 31 December 2024.

Following the Amended Lease Agreement of MTP, the MTP Premises being leased from SL comprised an aggregate area of 230,45 square meter on the North Tower Level 20 of Sampoerna Building (the “**MTP North Tower Level 20**”). The monthly base rent is IDR 189,000 (approximately SGD 16.21 based on the Illustrative Exchange Rate¹) per square meter, exclusive of monthly service charge of IDR 108,000 (approximately SGD 9.26 based on the Illustrative Exchange Rate¹) per square meter; and the total rent is IDR 1,045,321,200 (approximately SGD 89,658 based on the Illustrative Exchange Rate¹), exclusive of total service charge of IDR 597,326,400 (approximately SGD 51,233 based on the Illustrative Exchange Rate¹).

NOTE:

- The monthly base rent of MTP North Tower Level 20 is IDR 189,000 (approximately SGD 16.21 based on the Illustrative Exchange Rate¹) per square meter (the current monthly base rent of MTP North Tower Level 20 **has not changed** from the previous rental fee), and the monthly service charge is IDR 108,000 (approximately SGD 9.26 based on the Illustrative Exchange Rate¹) per square meter (the current monthly base service charge of MTP North Tower Level 20 **has increased** from IDR 99,000 to IDR 108,000 per square meter);
- The rental and service charge are paid quarterly in advance.

The respective lease period of the SGS Premises and MTP Premises are collectively referred to as the “**Term**”.

3.3 Based on:

- (a) a comparison of quotes from several vendors; and
- (b) a rental valuation carried out by an independent valuer, KJPP Abdullah Fitriantoro & Rekan (the “**Independent Valuer**” or “**KJPP**”) for the SGS Premises and MTP Premises, which valuation was contained in a report dated 29 December 2022 for the said premises (collectively, the “**Independent Valuation Reports**”),

the Board had determined the terms of the Amended Lease Agreements to be appropriate and in the interests of the Company, and accordingly accepted the same.

4. RATIONALE FOR AND BENEFIT OF THE IPT TO SGS

4.1. The Group’s rationale for the IPT are as follows:

- (a) the rental and terms offered by SL is to the benefit and in the commercial interest of the Company;
- (b) the Independent Valuation Reports of KJPP of 29 December 2022 reflects that the aggregate rental fees charged to SGS and MTP by SL are fair rental rate; and
- (c) the SGS Premises and MTP Premises are strategically located in the Sudirman area, the central business district in Jakarta, Indonesia.

4.2. In view of the above, the Amended Lease Agreements are of benefit to and in the commercial interests of the Group.

5. RULE 916 OF THE LISTING MANUAL OF THE SGX-ST

- 5.1. Rule 905 of the Listing Manual of the SGX-ST provides, *inter alia*, that an issuer must make an immediate announcement of any IPT of a value equal to, or more than, (a) 3% of the Group's latest audited net tangible assets ("NTA"), or (b) 3% or more of the group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year and all future transactions entered into with that same interested person during the same financial year.
- 5.2. Rule 906 of the Listing Manual of the SGX-ST provides, *inter alia*, that an issuer must obtain shareholder approval for any IPT of a value equal to, or more than (a) 5% of the group's latest audited NTA, or (b) 5% of the Group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year. Notwithstanding, Rule 916(1) of the Listing Manual of the SGX-ST provides that the entering into, or renewal of a lease or tenancy of real property of not more than three (3) years if the terms are supported by independent valuation will not be required to comply with Rule 906 of the Listing Manual of the SGX-ST.
- 5.3. The aggregate rental and service charge (excluding miscellaneous charges² for the SGS Premises and MTP Premises based on the Group's effective interest for the duration of the Term is approximately IDR 14,340,929,796 (approximately SGD 1,230,031 based on the Illustrative Exchange Rate¹), representing approximately 3.95% of the Group's latest audited NTA as at 31 December 2021, being the date of the latest available audited consolidated financial statements.
- 5.4. The aggregate value of all transactions entered into with the same interest person based on the Group's effective interest during the same fiscal year was approximately IDR 22,514,514,318 (approximately SGD 1,931,085 based on the Illustrative Exchange Rate¹), representing approximately 6.19% of the Group's latest audited NTA as at 31 December 2021, being the date of the latest available audited consolidated financial statements.
- 5.5. Notwithstanding that the value of the IPT exceeded 5% of the Group's latest audited NTA, the Company, in furtherance of Rule 916(1) of the Listing Manual of the SGX-ST, which provides that the entering into, or renewal of a lease or tenancy of real property of not more than three (3) years if the terms are supported by independent valuation will not be required to comply with Rule 906 of the Listing Manual of the SGX-ST, has entered into the Amended Lease Agreements on the basis that:
- (a) the Term of the Amended Lease Agreements is not more than three (3) years; and
 - (b) the Term of the Amended Lease Agreements is supported by the Independent Valuation Report, which reflects the Independent Valuer's opinion that the aggregate rental in relation to the SGS Premises and MTP Premises is fair,
- such that the Amended Lease Agreements would not be required to comply with Rule 906 of the Listing Manual of the SGX-ST.
- 5.6. As the value of this IPT exceeds 3% of the Group's latest NTA, this announcement is made accordingly, pursuant to Rule 905 of the Listing Manual of the SGX-ST.
- 6. CURRENT TOTAL IPTs FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022 ("FY2022") OF ALL TRANSACTIONS WITH PT SL AND CURRENT TOTAL OF ALL IPTs FOR FY2022**
- 6.1. The total value of all the IPTs of the Group has entered into with SL for FY2022, including the Amendment Lease Agreements which are the subject of this announcement, are as follows:

² These miscellaneous charges include, *inter alia*, utility charges, identification card payments, and other general and miscellaneous charges, which are separately payable by SGS and MTP as and when incurred.

S/N	Description of interested person transaction with 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)
			IDR ('000,000)	IDR ('000,000)
1.	Office lease transactions between SGS and SL (interested person)	Please refer to Paragraph 2 of this announcement.	6,745	-
2.	Office lease transactions between MTP and SL (interested person)		418	-
3.	Amended Lease Agreement between SGS and SL (interested person) ³		13,503 ³	-
4.	Amended Lease Agreement between MTP and SGS (interested person) ⁴		838 ⁴	-
Total			21,504	-

6.2. The total value of all IPTs for FY2022 is as follows:-

³ Represent aggregate rental and service charge (exclude miscellaneous charges) for the SGS Premises for the duration of the term (2023-2024).

⁴ Represent aggregate rental and service charge (exclude miscellaneous charges) for the MTP Premises based on the Group effective interest for the duration of the term (2023-2024).

S/ N	Description of interested person transaction with 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)
			IDR ('000,000)	IDR ('000,000)
1.	Office lease transactions between SGS and SL (interested person)	Please refer to Paragraph 2 of this announcement.	6,745	-
2.	Office lease transactions between MTP and SL (interested person)		418	-
3.	Amended Lease Agreement between SGS and SL (interested person) ³		13,503 ³	-
4.	Amended Lease Agreement between MTP and SGS (interested person) ⁴		838 ⁴	-
5.	Financing expenses from Overdraft Facility Renewal between PT SGS and PT Bank Sampoerna (interested person)		7,107	-
Total			28,611	-

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of each of the Amended Lease Agreements and the Independent Valuation Reports is available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Riko Setyabudhy Handoko
Executive Director and Chief Executive Officer
14 March 2023