

# **SAMKO TIMBER LIMITED**

Condensed interim financial statements  
For the sixth months ended 30 June 2024

# **SAMKO TIMBER LIMITED**

Company Registration Number: 200517815M

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# SAMKO TIMBER LIMITED

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

		Group		
		6 months ended		
		30 June 2024	30 June 2023	
		(HY2024)	(HY 2023)	Change
Note		Rp'million	Rp'million	%
	Revenue	1,008,901	1,303,079	(23)
	Cost of sales	(1,087,987)	(1,247,247)	(13)
	<b>Gross (loss) profit</b>	(79,086)	55,832	n.m
	Other income (expenses)	(148,335)	57,519	n.m
	Selling expenses	(64,464)	(88,148)	(27)
	General and administrative expenses	(159,798)	(160,509)	(0)
	Finance expenses	(127,735)	(89,895)	42
	<b>Loss before taxation</b>	(579,418)	(225,201)	157
	<b>Taxation</b>	(19,213)	(6,900)	178
	<b>Net loss for the period</b>	<b>(598,631)</b>	<b>(232,101)</b>	<b>158</b>
	<b>Other comprehensive income:</b>			
	<b>Items that will not be reclassified to profit or loss:</b>			
	Net actuarial (loss) gain on post-employment benefits	(20,883)	867	n.m
	<b>Items that may be reclassified subsequently to profit or loss:</b>			
	Foreign currency translation (loss) gain	(24,784)	17,141	n.m
	<b>Total comprehensive income for the period</b>	<b>(644,298)</b>	<b>(214,093)</b>	<b>201</b>
	<b>Net (loss) profit attributable to:</b>			
	Owners of the Company	(549,834)	(247,739)	122
	Non-controlling interests	(48,797)	15,638	n.m
		<b>(598,631)</b>	<b>(232,101)</b>	<b>158</b>
	<b>Total comprehensive income attributable to:</b>			
	Owners of the Company	(595,518)	(229,702)	159
	Non-controlling interests	(48,780)	15,609	n.m
		<b>(644,298)</b>	<b>(214,093)</b>	<b>201</b>
	<b>Loss per share attributable to owners of the Company</b>			
	Basic	14 (64)	(103)	
	Diluted	14 (64)	(103)	

n.m : not meaningful

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## B. Condensed interim statement of financial position

		Group		Company	
		30 June 2024	31 Dec 2023	30 June 2024	31 Dec 2023
Note		Rp'million	Rp'million	Rp'million	Rp'million
<b>ASSETS</b>					
<b>Current assets</b>					
	Cash and cash equivalents	51,031	30,372	918	215
5	Trade and other receivables	295,153	209,933	8,250	5,900
	Inventories	903,821	912,241	-	-
	Advances to suppliers	318,235	204,155	-	227
	Prepaid operating expenses	110,655	78,609	643	491
	Other current assets	-	45,317	-	-
11	Assets classified as held for sale	30,835	-	-	-
	<b>Total current assets</b>	<b>1,709,730</b>	<b>1,480,627</b>	<b>9,811</b>	<b>6,833</b>
<b>Non-current assets</b>					
	Deferred tax assets	83,020	94,435	-	-
	Investment in subsidiary companies	-	-	80,187	1,012,091
	Land use rights	59,719	63,383	-	-
	Property, plant and equipment	2,044,819	1,920,479	1	1
	Right-of-use assets	53,382	26,514	-	-
	Biological assets	646,359	641,227	-	-
	Other non-current assets	14,938	31,450	121	114
	<b>Total non-current assets</b>	<b>2,902,237</b>	<b>2,777,488</b>	<b>80,309</b>	<b>1,012,206</b>
	<b>Total assets</b>	<b>4,611,967</b>	<b>4,258,115</b>	<b>90,120</b>	<b>1,019,039</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
5	Trade and other payables	974,150	994,038	8,229	191,422
	Other liabilities	149,073	126,143	807	2,633
	Advances from customers	77,630	52,139	31	29
	Provision for taxation	5,564	4,834	-	-
12	Loans and borrowings	1,908,530	1,895,165	-	-
	Lease liabilities	13,163	13,027	-	-
	<b>Total current liabilities</b>	<b>3,128,110</b>	<b>3,085,346</b>	<b>9,067</b>	<b>194,084</b>
<b>Non-current liabilities</b>					
	Deferred tax liabilities	97,068	98,494	-	-
	Post-employment benefits	292,259	239,517	-	-
12	Loans and borrowings	1,285,802	1,176,693	-	-
	Lease liabilities	17,827	8,734	-	-
	Advance from customers	306,812	260,393	-	-
5	Other liabilities	519,713	-	-	284,812
	<b>Total non-current liabilities</b>	<b>2,519,481</b>	<b>1,783,831</b>	<b>-</b>	<b>284,812</b>
	<b>Total liabilities</b>	<b>5,647,591</b>	<b>4,869,177</b>	<b>9,067</b>	<b>478,896</b>
	<b>Net (liabilities) assets</b>	<b>(1,035,624)</b>	<b>(611,062)</b>	<b>81,053</b>	<b>540,143</b>

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

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2024</b>	<b>31 Dec 2023</b>	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
<b>EQUITY</b>				
<b>Equity attributable to owners of the Company</b>				
Share capital	13 <b>765,449</b>	545,713	<b>765,449</b>	545,713
Accumulated losses	<b>(2,409,340)</b>	(1,838,606)	<b>(663,835)</b>	5,424
Other reserves	<b>287,355</b>	312,139	<b>(20,561)</b>	(10,994)
	<b>(1,356,536)</b>	(980,754)	<b>81,053</b>	540,143
<b>Non-controlling interests</b>	<b>320,912</b>	369,692	-	-
<b>Total equity</b>	<b>(1,035,624)</b>	(611,062)	<b>81,053</b>	540,143

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## C. Condensed interim statements of changes in equity

Group	Attributable to owners of the Company							
	Share capital	Accumulated losses	Restructuring reserves	Premium paid on acquisition of non-controlling interest	Foreign currency translation reserves	Total	Non-controlling interests	Total equity
<b>Balance at 1 January 2024</b>	545,713	(1,838,606)	309,050	(3,037)	6,126	(980,754)	369,692	(611,062)
Loss for the period	-	(549,834)	-	-	-	(549,834)	(48,797)	(598,631)
Other comprehensive income for the period:								
- Net actuarial gain (loss) on post-employment benefits	-	(20,900)	-	-	-	(20,900)	17	(20,883)
- Foreign currency translation loss	-	-	-	-	(24,784)	(24,784)	-	(24,784)
Other comprehensive income for the period, net of tax	-	(20,900)	-	-	(24,784)	(45,684)	17	(45,667)
Total comprehensive income for the period	-	(570,734)	-	-	(24,784)	(595,518)	(48,780)	(644,298)
Contribution by and distribution to owners:								
- Issuance of new shares during the period	219,736	-	-	-	-	219,736	-	219,736
Total contribution by and distribution to owners	219,736	-	-	-	-	219,736	-	219,736
<b>Balance at 30 June 2024</b>	<b>765,449</b>	<b>(2,409,340)</b>	<b>309,050</b>	<b>(3,037)</b>	<b>(18,658)</b>	<b>(1,356,536)</b>	<b>320,912</b>	<b>(1,035,624)</b>
<b>Balance at 1 January 2023</b>	545,713	(1,037,855)	309,050	(3,037)	(2,048)	(188,177)	318,663	130,486
Profit (loss) for the period	-	(247,739)	-	-	-	(247,739)	15,638	(232,101)
Other comprehensive income for the period:								
- Net actuarial gain (loss) on post-employment benefits	-	896	-	-	-	896	(29)	867
- Foreign currency translation gain	-	-	-	-	17,141	17,141	-	17,141
Other comprehensive income for the period, net of tax	-	896	-	-	17,141	18,037	(29)	18,008
Total comprehensive income for the period	-	(246,843)	-	-	17,141	(229,702)	15,609	(214,093)
<b>Balance at 30 June 2023</b>	<b>545,713</b>	<b>(1,284,698)</b>	<b>309,050</b>	<b>(3,037)</b>	<b>15,093</b>	<b>(417,879)</b>	<b>334,272</b>	<b>(83,607)</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	Foreign currency translation reserves	Total
	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
Balance at 1 January 2024	545,713	5,424	(10,994)	540,143
Total comprehensive income for the period	-	(669,259)	(9,567)	(678,826)
Issuance of new shares during the period	219,736	-	-	219,736
<b>Balance at 30 June 2024</b>	<b>765,449</b>	<b>(663,835)</b>	<b>(20,561)</b>	<b>81,053</b>
Balance at 1 January 2023	545,713	13,929	(17,260)	542,382
Total comprehensive income for the period	-	(3,745)	12,720	8,975
<b>Balance at 30 June 2023</b>	<b>545,713</b>	<b>10,184</b>	<b>(4,540)</b>	<b>551,357</b>

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

	<b>Group</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>(HY2024)</b>	<b>(HY2023)</b>
	<i>Rp'million</i>	<i>Rp'million</i>
<b>Cash flows from operating activities</b>		
Loss before income tax	(579,418)	(225,201)
Adjustments:		
Interest expenses from loans and borrowings	106,322	86,440
Depreciation of property, plant and equipment	32,694	35,194
Post-employment benefits expense	18,545	20,538
Depreciation of right-of-use assets	7,668	7,148
Amortisation of land use rights	2,863	2,650
Net loss (gain) on disposal of property, plant and equipment	7,691	(8,858)
Inventories recovery	(3,181)	-
Interest expenses from lease liabilities	1,408	541
Interest income	(104)	(228)
Inventories written-down	-	1,351
Net gain on change in fair value of biological assets	-	(20,000)
Net foreign exchange (gain) loss	123,447	(51,401)
<b>Operating cash flow before changes in working capital</b>	<b>(282,065)</b>	<b>(151,826)</b>
<b>Changes in working capital :</b>		
Trade and other receivables	(85,220)	(67,629)
Inventories	11,601	157,750
Advances to suppliers	(34,500)	(9,406)
Prepaid operating expenses	(34,567)	(37,659)
Other non-current assets	62,382	(8,782)
Trade and other payable	(21,270)	238,190
Other liabilities	24,504	7,355
Advance from customers	110,910	154,639
<b>Cash flow (used in) provided by operations</b>	<b>(248,225)</b>	<b>282,632</b>
Income tax paid	(3,551)	(4,320)
Post-employment benefits paid	(34,473)	(22,007)
<b>Net cash flows (used in) provided by operating activities</b>	<b>(286,249)</b>	<b>256,305</b>
<b>Cash flows from investing activities</b>		
Additions of property, plant and equipment	(302,630)	(276,999)
Proceeds from disposal of property, plant and equipment	37,856	8,888
Additions of land use rights	(9,565)	(123)
Additions of biological assets	(5,132)	(1,343)
Interest received	104	228
<b>Net cash flows used in investing activities</b>	<b>(279,367)</b>	<b>(269,349)</b>



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

	<b>Group</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>(HY2024)</b>	<b>(HY2023)</b>
	<i>Rp'million</i>	<i>Rp'million</i>
<b>Cash flows from financing activities</b>		
Drawdown of loans and borrowings	3,113,721	2,888,545
Repayment of loans and borrowings	(3,148,480)	(2,709,764)
Interest paid for loans and borrowings	(107,986)	(75,346)
Interest paid for lease liabilities	(1,408)	(541)
Repayment of lease liabilities	(10,459)	(7,275)
Placement of restricted deposits	-	(294)
Proceeds from issuance of new shares	219,736	-
Loan from related party loan	480,713	-
Loan from third party loan	39,000	-
	<hr/>	<hr/>
<b>Net cash flows provided by financing activities</b>	<b>584,837</b>	<b>95,325</b>
	<hr/>	<hr/>
Net increase in cash and cash equivalents	19,221	82,281
Effect of exchange rate changes on cash and cash equivalents	1,438	(883)
Cash and cash equivalents at beginning of the period	30,372	26,882
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	<b>51,031</b>	<b>108,280</b>
	<hr/> <hr/>	<hr/> <hr/>

# **SAMKO TIMBER LIMITED**

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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 the British Virgin Islands.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 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 ended 30 June 2024 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 financial year ended 31 December 2023.

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**

The 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 last audited financial statements for the financial year ended 31 December 2023.

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## 2.2. Use of judgements and estimates (cont'd)

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 ended 30 June 2024.

## 2.3. Going concern assumption

The Group incurred a net loss of Rp599 billion for the six months ended 30 June 2024, as of that date, the Group's current liabilities exceeded its current assets by approximately Rp1,418 billion. The Group also has a deficit in equity attributable to owners of the Company amounted to Rp1,356 billion and total net liabilities of Rp1,036 billion as at 30 June 2024.

The above conditions may indicate the existence of uncertainties 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 period ended 30 June 2024 is appropriate. Management believes that the Group will have sufficient fund 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.

## 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		
	HY2024	HY 2023	Change
	<i>Rp'million</i>	<i>Rp'million</i>	<i>%</i>
Domestic sales	422,043	545,371	(23)
Export sales	586,858	757,708	(23)
Total	<u>1,008,901</u>	<u>1,303,079</u>	<u>(23)</u>
<b>Timing of transfer of goods and services</b>			
Sales of goods - at a point in time	<u>1,008,901</u>	<u>1,303,079</u>	<u>(23)</u>

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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.
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	
	HY2024	HY 2023	HY2024	HY 2023	HY2024	HY 2023	HY2024	HY 2023	HY2024	HY 2023
	Rp'million	Rp'million	Rp'million	Rp'million	Rp'million	Rp'million	Rp'million	Rp'million	Rp'million	Rp'million
<b>Revenue:</b>										
External customers	613,184	875,050	-	-	395,717	428,029	-	-	1,008,901	1,303,079
Inter-segment	346,190	398,806	23,417	-	-	-	(369,607)	(398,806)	-	-
<b>Total revenue</b>	<b>959,374</b>	<b>1,273,856</b>	<b>23,417</b>	<b>-</b>	<b>395,717</b>	<b>428,029</b>	<b>(369,607)</b>	<b>(398,806)</b>	<b>1,008,901</b>	<b>1,303,079</b>
Finance income	84	214	18	10	2	4	-	-	104	228
Finance expenses	(115,913)	(80,727)	(5,954)	(42)	(5,868)	(9,126)	-	-	(127,735)	(89,895)
Depreciation of property, plant and equipment	(26,758)	(34,557)	(5,883)	(414)	(53)	(223)	-	-	(32,694)	(35,194)
Depreciation of right-of-use assets	(6,525)	(5,610)	(374)	(374)	(769)	(1,164)	-	-	(7,668)	(7,148)
Amortisation of land use rights	(2,595)	(2,106)	(268)	(450)	-	(94)	-	-	(2,863)	(2,650)
Post-employment benefits expense	(17,814)	(19,994)	(421)	(54)	(310)	(490)	-	-	(18,545)	(20,538)
Net gain on change in fair value of biological assets	-	-	-	20,000	-	-	-	-	-	20,000
Net gain (loss) on disposal of property, plant and equipment	(7,838)	441	-	8,417	147	-	-	-	(7,691)	8,858
Net foreign exchange gain (loss)	(43,123)	23,690	(71,180)	19,975	(1,017)	1,413	-	-	(115,320)	45,078
Tax expenses	(14,306)	(1,519)	(57)	(4,417)	(4,850)	(964)	-	-	(19,213)	(6,900)
Segment profit (loss)	(468,376)	(230,616)	(98,379)	33,832	(31,876)	(35,317)	-	-	(598,631)	(232,101)

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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	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	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	81,987	81,196	279	89	754	6,267	-	-	83,020	87,552
Segment assets	2,369,878	2,516,968	2,492,551	1,685,110	1,228,124	1,051,034	(1,478,586)	(1,262,982)	4,611,967	3,990,130
<b>Expenditures for segment</b>										
Additions to property, plant and equipment	63,836	75,653	159,214	198,113	-	154	-	-	223,050	273,920
Additions to right-of-use assets	34,536	2,145	-	-	-	1,276	-	-	34,536	3,421
Additions to land use rights	9,565	123	-	-	-	-	-	-	9,565	123
<b>Liabilities:</b>										
Loans and borrowings and lease liabilities	1,801,614	1,702,082	1,319,810	612,144	103,898	183,657	-	-	3,225,322	2,497,883
Provision for taxation	4,679	5,388	766	944	119	123	-	-	5,564	6,455
Deferred tax liabilities	11,294	18,506	85,774	56,415	-	-	-	-	97,068	74,921
Segment liabilities	3,637,812	2,957,825	1,827,441	881,879	721,610	781,976	(539,272)	(547,943)	5,647,591	4,073,737

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### 4.3. Geographical markets

	6 months ended		
	HY2024	HY2023	Change
	<i>Rp'million</i>	<i>Rp'million</i>	<i>%</i>
<i>Domestic:</i>			
Indonesia	422,043	545,371	(23)
<i>Overseas:</i>			
North Asia	315,640	292,895	8
North America	134,214	267,457	(50)
South East Asia	125,245	183,888	(32)
Others	11,760	13,467	(13)
	<u>1,008,901</u>	<u>1,303,079</u>	<u>(23)</u>

### 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023:

	Group		Company	
	30 June 2024	31 Dec 2023	30 June 2024	31 Dec 2023
	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
Trade receivables, net of allowance				
- Third parties	276,474	193,303	-	-
Other receivables, net of allowance				
- Third parties	16,445	16,609	-	-
- Related parties	2,234	21	-	-
- Subsidiaries	-	-	8,250	5,900
Total trade and other receivables	<u>295,153</u>	<u>209,933</u>	<u>8,250</u>	<u>5,900</u>
Add:				
- Cash and cash equivalents	51,031	30,372	918	215
- Guarantee deposits	5,760	5,711	121	114
<b>Total financial assets carried at amortised costs</b>	<u><b>351,944</b></u>	<u><b>246,016</b></u>	<u><b>9,289</b></u>	<u><b>6,229</b></u>

The management believes that the allowance for expected credit 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	
	30 June 2024	31 Dec 2023	30 June 2024	31 Dec 2023
	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
Trade payables				
- Third parties	686,886	693,223	-	-
- Related parties	998	816	-	-
- Subsidiaries	-	-	4,289	4,026
Other payables				
- Third parties	286,059	299,533	3,671	1,763
- Related parties	207	466	-	-
- Subsidiaries	-	-	269	185,633
Total trade and other payables	974,150	994,038	8,229	191,422
Add:				
- Other liabilities*	648,324	62,606	807	287,445
- Loans and borrowings	3,194,332	3,071,858	-	-
- Lease liabilities	30,990	21,761	-	-
<b>Total financial liabilities carried at amortised costs</b>	<b>4,847,796</b>	<b>4,150,263</b>	<b>9,036</b>	<b>478,867</b>

\* excludes post-employment benefits and value added tax

\* includes a non-interest bearing loan of Rp481 billion from a related party loan and a non-interest bearing loan of Rp39 billion from a third party loan

### 6. Loss before taxation

#### 6.1. Significant items

	6 months ended		
	(HY2024)	(HY 2023)	Change
	<i>Rp'million</i>	<i>Rp'million</i>	%
Interest expenses:			
- loans and borrowings	(106,322)	(86,440)	23
- lease liabilities	(1,408)	(541)	160
Depreciation:			
- property, plant and equipment	(32,694)	(35,194)	(7)
- right-of-use assets	(7,668)	(7,148)	7
Post-employment benefits expenses	(18,545)	(20,538)	(10)
Amortisation of land use rights	(2,863)	(2,650)	8
Interest income	104	228	(54)
Inventories recovery	3,181	-	n.m
Net (loss) gain on disposal of property, plant and equipment	(7,691)	8,858	n.m
Net gain on change in fair value of biological assets	-	20,000	(100)
Inventories written-down	-	(1,351)	n.m
Net foreign exchange (loss) gain	(115,320)	45,078	n.m

n.m : not meaningful



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### 6.2. Related party transactions

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

### 7. Taxation

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

	6 months ended		
	HY2024	HY 2023	Change
	<i>Rp'million</i>	<i>Rp'million</i>	%
Current income tax	(2)	(67)	(97)
Deferred tax expense	(15,967)	(6,396)	150
Under provision of prior year taxes	(3,244)	(437)	642
Total	<u>(19,213)</u>	<u>(6,900)</u>	<u>178</u>

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 period, the Group recognised deferred tax expense arising due mainly to deferred tax assets from losses of certain subsidiaries were derecognized during the period due to the uncertainty of its recovery.

### 8. Net (liabilities) assets value

	Group		Company	
	30 June 2024	31 Dec 2023	30 June 2024	31 Dec 2023
Net (liabilities) assets attributable to owners of the Company used in computation of net (liabilities) asset value per share (Rp'million)	(1,356,536)	(980,754)	81,053	540,143
Number of ordinary shares at the end of the period	8,646,408,068	2,408,171,095	8,646,408,068	2,408,171,095
Net (liabilities) assets value per ordinary share (Rp full amount)	(157)	(407)	9	224

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### 9. Fair value measurement

The Group measures biological assets 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 in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
As at 30 Jun 2024	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
<b>Non-financial assets</b>				
Biological assets	-	-	646,359	646,359
<b>As at 31 Dec 2023</b>				
<b>Non-financial assets</b>				
Biological assets	-	-	641,227	641,227

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.

### 10. Property, plant and equipment

During the period ended 30 June 2024, the Group acquired assets amounting to Rp303 billion (30 June 2023: Rp277 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 30 June 2024. 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. Assets classified as held for sale

As at 30 June 2024, the Group re-designated its land and building as assets classified as held for sale as the Group is in the process to sell its land and building in one of the subsidiaries in Balaraja, Tangerang, West Java area, with the book value of Rp31 billion. The Group expects to complete the sales transaction by end of the year.

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### 12. Borrowings

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

As at 30 Jun 2024		As at 31 Dec 2023	
Secured	Unsecured	Secured	Unsecured
<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
1,843,100	65,430	1,821,262	73,903

#### Amount repayable after one year

As at 30 Jun 2024		As at 31 Dec 2023	
Secured	Unsecured	Secured	Unsecured
<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
1,285,802	-	1,176,693	-

As at 30 June 2024, 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.

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 30 June 2024, the Group has at its disposal unused loan facilities amounting to US\$12 million US\$ facilities and Rp232 billion Rp facilities to drawdown, if required.

The Group believes that, after taken 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 Rp220 billion will strengthen the Group's financial position and provide the financial flexibility to seize opportunities for business growth.
- b) the Group has the abilities to operate as a going concern due to the following:
  - 1) the Sampoerna family, who is the substantial shareholder of the Company, is committed to the Group. As a demonstration of its support, the family had participated in the rights issue of the Company;
  - 2) as at 30 June 2024, 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, and accordingly, the related long term loans amounting to Rp1,285,802 million continues to be classified under non-current liabilities as at 30 June 2024; and

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### 12. Borrowings (cont'd)

- 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

### 13. Share capital

	Group and Company			
	As at 30 June 2024		As at 31 Dec 2023	
	Number of ordinary shares	Share capital <i>Rp'million</i>	Number of ordinary shares	Share capital <i>Rp'million</i>
Beginning of the period	2,408,171,095	545,713	2,408,171,095	545,713
Capital contribution to increase share capital	6,238,236,973	219,736	-	-
<b>End of the period</b>	<b>8,646,408,068</b>	<b>765,449</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 30 June 2024 and 31 December 2023.

The Company has undertaken 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 right share with 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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### 14. Loss per share

Loss per share of the Group and Company for the current financial period were set out as follows:

	6 months ended	
	HY2024	HY 2023
Net loss for the period attributable to owners of the Company (Rp'million)	(549,834)	(247,739)
	Group and Company	
	30 June 2024	30 June 2023
Weighted average number of ordinary shares for basic loss per share computation	8,543,011,875	2,408,171,095
Weighted average number of ordinary shares for diluted loss per share computation	8,543,011,875	2,408,171,095
	Rp	Rp
	(full amount)	(full amount)
<b>Loss per share attributable to owners of the Company</b>		
Basic	(64)	(103)
Diluted	(64)	(103)

### 15. Subsequent events

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

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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 30 June 2024 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 Rp599 billion in HY 2024 as compared to a net loss of Rp232 billion in HY 2023. Our overall performance in HY 2024 has been significantly affected mainly by lower sales and gross loss incurred. Besides, our results for HY 2024 were also affected mainly by higher interest and general and net foreign exchange losses, offset by lower selling expenses.

##### **Revenue**

In HY 2024, our sales revenue was lower by 23% as compare to HY2023, due mainly to total sales volume decreased by 17%, coupled with lower average selling price by 4% in HY2024 as compared to HY2023.

The composition of our export sales to overall sales decreased from 58% in HY 2023 to 56% in HY 2024 mainly due to the change in product mix.

##### **Gross profit (loss)**

The Group incurred gross loss in HY2024 as compare to gross profit in HY2023 due mainly to lower sales volume and lower average selling price and also affected by the change in product mix, as mentioned above.

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

In HY2024, other expenses came mainly from the net losses on foreign exchange incurred during the period, compared to the net gain on foreign exchange incurred along with the net gain on change of fair value of biological assets in HY2023. The strengthening of US Dollar against Rupiah has resulted in unrealised foreign exchange losses due to the translation of our US Dollar denominated loans.

##### **Selling expenses**

Our selling expenses decreased by 27% in HY2024 as compared to HY2023, 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, and lower export sales volume.

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

Our general and administrative expenses remained relatively stable in HY2024 as compared to HY2023.

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

#### **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***

As at 30 June 2024, our Group's current and non-current assets have increased by Rp354 billion to Rp4,612 billion. This was contributed mainly by:

1. higher trade receivables of Rp83 billion mainly due to high sales by end of the period;
2. higher advance to suppliers of Rp114 billion mainly due to advances for property, plant and equipment needed for the Java Wood Pellet Project;
3. increase in property, plant and equipment by Rp124 billion mainly due to the addition of assets primarily for machineries and production facilities and offset by depreciation charges during the period; and
4. increase in assets classified as held for sale of Rp31 billion as mentioned above

As at 30 June 2024, our Group's current and non-current liabilities have increased by Rp778 billion to Rp5,648 billion. This was contributed mainly by:

1. higher other non-current liabilities of Rp520 billion mainly from non-interest bearing loan of related and third parties loan to finance the working capital;
2. increase in loans and borrowings and lease liabilities totaling Rp132 billion to finance the investment activities and operations; and
3. increase in advances from customers totaling Rp72 billion

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

During HY2024, the Group generated Rp585 billion from financing activities, and incurred cash outflow of Rp286 billion from operating activities and cash outflow of Rp280 billion from investing activities, respectively. Net cash increased by Rp19 billion.

Our cash used in operating activities was lower in HY2024 compared to HY 2023 mainly due to lower operating cash flows from the working capital.

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

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

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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

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

Indonesia Rupiah to US Dollar exchange rates	(Weakened) / strengthened	Loss after tax for the period Rp599 billion (Increase)/ decrease Rp'million
<i>Rp/full amount</i>		
17,406	(6%)	(49,070)
17,078	(4%)	(32,714)
16,749	(2%)	(16,357)
16,093	2%	16,357
15,764	4%	32,714
15,436	6%	49,070

Our US\$ loans as at 30 June 2024 was US\$149 million and 31 December 2023 were US\$148 million.

Exchange rate:	<u>Rp/US\$1</u>
- 14 August 2024	Rp15,885
- 30 June 2024	Rp16,421
- 31 December 2023	Rp15,416

- 2) Intense competition coming from other Indonesian and Vietnam mills still creating price depreciation in the plywood export market. Especially for the USA and Korean market. this condition worsened by aggressive rate hiking cycle by central banks around the world that created slowdown in global construction Industry, which have direct impact to our products demand. Global events and transportation issues also disrupt our products supply chain, leading to delays and increased costs.
- 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 and has raised a total of Rp218 billion through the exercise. The Management will also 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. The Group has delivered the first shipment for wood pellet in March 2024 and will gradually commence the production for plywood in August 2024.



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### **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 period ended 30 June 2024 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 period ended 30 June 2024:

<i>Name of interested person</i>	<i>Nature of relationship</i>	<i>Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</i>	<i>Aggregate value of all interested person transactions conducted during the financial period under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</i>
		<i>Rp'million</i>	<i>Rp'million</i>
PT Sampoerna Land - <i>Office rental</i>	Mr Michael Joseph Sampoerna, a Director of the Company, together with his immediate family, holds more than 30% of the shareholding interests (direct and indirect)	3,665	-
PT Bank Sahabat Sampoerna - <i>Finance expense</i>		4,701	-

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.

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### **G. Confirmation by the Board**

On behalf of the Board of Directors of the Company, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months ended 30 June 2024 to be false or misleading in any material aspect

On behalf of the Board of Directors

Eka Dharmajanto Kasih  
Non-Executive Chairman

Riko Setyabudhy Handoko  
Executive Director and Chief Executive Officer

Singapore  
14 August 2024