

## **SAMKO TIMBER LIMITED**

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

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### **RENEWAL OF LEASE BY PT SUMBER GRAHA SEJAHTERA, A WHOLLY OWNED SUBSIDIARY 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**

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#### **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 its subsidiary, PT Sumber Graha Sejahtera (“**SGS**”), had on 11 November 2019 renewed the lease of its office space in Jakarta, the Republic of Indonesia (“**Indonesia**”) (the “**Premises**”) with effect from 1 January 2020, by way of a fifth amendment dated 11 November 2019 (the “**Fifth Amendment Lease Agreement**”) to the original lease agreement dated 20 March 2017, as amended by a second amendment on 12 February 2018, a further third amendment on 16 July 2018, and a further fourth amendment on 4 December 2018, entered into with PT Sampoerna Land (“**SL**”) the details of which are stated in Section 3.1 below.
- 1.2. On the basis of:
- (a) SGS 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
  - (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),

the lease of the Premises pursuant to the Fifth Amendment Lease Agreement is accordingly regarded to be an “**interested person transaction**” within the meaning of Chapter 9 of the Listing Manual (the “**IPT**”).

#### **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.

#### **3. DETAILS OF THE IPT**

- 3.1. The Premises being leased from SL under the Fifth Amendment Lease Agreement comprise an aggregate area of 1,606.74 semi-gross square metres as follows:
- (a) an area of 339.20 semi-gross square metres on the 20<sup>th</sup> floor and 1,258.54 semi-gross square metres on the 21<sup>st</sup> floor of the North Tower of Sampoerna Strategic Square, Jl Jenderal Sudirman Kav 45-46 Jakarta 12930, Indonesia (the “**Sampoerna Building**”) (the “**North Tower Premises**”). The monthly rental will be IDR 207,000 / semi-gross square metre (approximately S\$20.06 / semi-gross square metre based

on the Illustrative Exchange Rate<sup>1</sup>), exclusive of a monthly service charge of IDR 99,000 / semi-gross square metre (approximately S\$9.59 / semi-gross square metre based on the Illustrative Exchange Rate); and

- (b) an area of 9 semi-gross square metres on the lower ground floor of the South Tower of the Sampoerna Building (the “**South Tower Premises**”). The monthly rental will be IDR 150,000 / semi-gross square metre (approximately S\$14.53 / semi-gross square metre based on the Illustrative Exchange Rate). No service charge is payable in relation to the lease of the South Tower Premises.
- 3.2. Whilst the monthly rental payable in respect of the Premises remain unchanged, the monthly service charge payable in respect of the North Tower Premises will increase from IDR 95,000 / semi-gross square metre to IDR 99,000 / semi-gross square metre, effective from 1 January 2020. As SGS is required to provide a security deposit equivalent to 3 months of the monthly service charge payable in respect of the North Tower Premises, SGS will have to furnish an additional sum of IDR 19,172,880 (approximately S\$1,857.66 based on the Illustrative Exchange Rate) in aggregate to SL.
- 3.3. The Fifth Amendment Lease Agreement will be for a term of 1 year commencing on 1 January 2020 and expiring on 31 December 2020 (the “**Term**”). The rental and service charge is payable quarterly in advance, and excludes 10% value added tax.
- 3.4. Based on:
- (a) a comparison of quotes for office space from 8 vendors conducted by the Company; and
  - (b) a rental valuation carried out by an independent valuer, KJPP Abdullah Fitriantoro & Rekan (the “**Independent Valuer**”), which valuation was contained in a report dated 3 December 2019 (the “**Independent Valuation Report**”),

the Board had determined the terms of the Fifth Amendment Lease Agreement 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 are more favourable than the rental and terms provided by other comparable vendors. The Independent Valuation Report reflects that the aggregate rental charged by SL pursuant to the Fifth Amendment Lease Agreement is fair;
  - (b) the Premises are strategically located in the Sudirman area, the central business district in Jakarta, Indonesia, accessible via various modes of public transportation, and equipped with many amenities. The accessibility and convenience afforded to business partners and employees thereto contributes positively to the public profile of the Group;
  - (c) the Group has had a good working relationship with SL based on its past dealings with SL, who has proven to be professional and effective; and
  - (d) the Group’s Jakarta headquarters are currently located in the Premises, and the renewal of the Fifth Amendment Lease Agreement avoids wastage of time, resources,

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<sup>1</sup> For the purposes of this announcement, the “**Illustrative Exchange Rate**” refers to the approximate exchange rate of S\$1.00 : IDR 10,321 as at 31 December 2019. 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.

and costs that would have been incurred in connection with a relocation. The Group intends to continue operating its Jakarta headquarters from the Premises following the renewal of the Fifth Amendment Lease Agreement.

- 4.2. In view of the above, the Fifth Amendment Lease Agreement is of benefit to and in the commercial interests of the Group.

## 5. RULE 916 OF THE LISTING MANUAL

- 5.1. Rule 905 of the Listing Manual provides, *inter alia*, that an issuer must make an immediate announcement of any interested person transaction 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 provides, *inter alia*, that an issuer must obtain shareholder approval for any interested person transaction 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 provides that the entering into, or renewal of a lease or tenancy of real property of not more than 3 years if the terms are supported by independent valuation will not be required to comply with Rule 906 of the Listing Manual.
- 5.3. The aggregate rental and service charge (excluding miscellaneous charges<sup>2</sup>) for the Premises payable for the duration of the Term is approximately IDR 5,883,101,280 (approximately S\$570,012.72 based on the Illustrative Exchange Rate), representing approximately 2.91% of the Group's latest audited NTA<sup>3</sup>. The Company anticipates that the value of the IPT is likely to exceed 3.0% of the Group's latest audited NTA after taking into account estimated miscellaneous charges that would be incurred by SGS for the duration of the Term, but is unlikely to exceed 5.0% of the Group's latest NTA. Accordingly, this announcement is made pursuant to Rule 905 of the Listing Manual.
- 5.4. Notwithstanding that the value of the IPT does not exceed 5% of the Group's latest audited NTA, the Company, in furtherance of Rule 916(1) of the Listing Manual which provides that the entering into, or renewal of a lease or tenancy of real property of not more than 3 years if the terms are supported by independent valuation will not be required to comply with Rule 906 of the Listing Manual, has entered into the Fifth Amendment Lease Agreement on the basis that :
- (a) the Term of the Fifth Amendment Lease Agreement is not more than 3 years; and
  - (b) the terms of the Fifth Amendment Lease Agreement is supported by the Independent Valuation Report, which reflects the Independent Valuer's opinion that the aggregate rental in relation to the Premises is fair,

such that the Fifth Amendment Lease Agreement would not be subject of aggregation pursuant to Rule 906(1)(b) of the Listing Manual.

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

<sup>3</sup> The latest audited NTA as at 31 December 2018 was approximately IDR 202,418,000,000 (approximately S\$19,612,246.88 based on the Illustrative Exchange Rate).

**6. CURRENT TOTAL FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2019 (“FY2019”) OF ALL TRANSACTIONS WITH SL AND CURRENT TOTAL OF ALL INTERESTED PERSON TRANSACTIONS FOR FY2019**

6.1. The total value of all the interested person transactions the Group has entered into with SL for FY2019 as at the date of this announcement, including the renewal of the lease pursuant to the Fifth Amendment Lease Agreement which is the subject of this announcement, is estimated to be as follows:

S/N	Description of interested person transaction with SL	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.	Fourth amendment to the lease agreement dated 4 December 2018 for the lease of the Premises (“ <b>Fourth Amendment Lease Agreement</b> ”)	5,806	-
2.	Fifth Amendment Lease Agreement for the lease of the Premises	5,883	-
<b>Total</b>		<b>11,689</b>	<b>-</b>

6.2. The total value of all interested persons transactions for FY2019 as at the date of this announcement is estimated to be as follows:

S/N	Description of interested person transaction with interested person	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.	SL – Fourth Amendment Lease Agreement for the lease of the Premises	5,806	-
2.	SL – Fifth Amendment Lease Agreement for the lease of the Premises	1,471 <sup>4</sup>	-
3.	PT Bank Sahabat	5,727	-

<sup>4</sup> The Company wishes to highlight that in FY2019, the Company has made advance payments of approximately IDR 1,470,775,320 to SL as service and rental charges for the months of January, February, and March 2020.

S/N	Description of interested person transaction with interested person	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)
	Sampoerna – Finance expense		
<b>Total</b>		<b>13,004</b>	<b>-</b>

## 7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of each of the Fifth Amendment Lease Agreement and the Independent Valuation Report is available for inspection during normal business hours at the registered office of the Company for a period of 3 months from the date of this announcement.

### BY ORDER OF THE BOARD

Riko Setyabudhy Handoko  
Executive Director and Chief Executive Officer  
30 January 2020