

**CIRCULAR DATED 12 APRIL 2024**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**This Circular is issued by Samko Timber Limited (the “Company”, together with its subsidiaries, the “Group”). If you are in any doubt about the contents of this Circular or the course of action you should take, you should consult, your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.**

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (the “CDP”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee.

If you have sold or transferred all your Shares represented by physical share certificate(s) which are not deposited with CDP, please forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form immediately to the purchaser or the transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been made available on SGXNET and the Company’s website and may be accessed at the URL <https://www.sampoernakayoe.co.id/>. A printed copy of this Circular will also be despatched to the shareholders of the Company (the “Shareholders”).

This Circular has been prepared by the Company. The Singapore Exchange Securities Trading Limited (“SGX-ST”) assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.



**SAMKO TIMBER LIMITED**

(Company Registration Number 200517815M)  
(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS  
IN RELATION TO  
THE OVERDRAFT FACILITY RENEWAL AS AN INTERESTED PERSON TRANSACTION**

*Independent Financial Adviser to the Non-Abstaining Directors in relation to the Overdraft Facility Renewal*



**SAC CAPITAL PRIVATE LIMITED**

(Company Registration Number 200401542N)  
(Incorporated in the Republic of Singapore)

**IMPORTANT DATES AND TIMES:**

Last date and time for lodgement of Proxy Form : 25 April 2024 at 10.00 am

Date and time of Extraordinary General Meeting : 27 April 2024 at 10.00 am

Place of Extraordinary General Meeting : Carlton Hotel Singapore  
76 Bras Basah Road  
Singapore 189558

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## CONTENTS

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DEFINITIONS .....	1
LETTER OF SHAREHOLDERS .....	5
1. INTRODUCTION.....	5
2. CHAPTER 9 OF THE LISTING MANUAL.....	6
3. THE OVERDRAFT FACILITY RENEWAL AS AN INTERESTED PERSON TRANSACTION.....	8
4. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS .....	11
5. OPINION OF THE IFA .....	12
6. AUDIT COMMITTEE STATEMENT .....	12
7. ABSENTION FROM VOTING .....	12
8. DIRECTORS' RECOMMENDATIONS.....	13
9. EXTRAORDINARY GENERAL MEETING.....	13
10. ACTION TO BE TAKEN BY SHAREHOLDERS .....	13
11. CONSENT.....	14
12. DOCUMENTS FOR INSPECTION .....	14
13. DIRECTORS' RESPONSIBILITY STATEMENT.....	14
APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE NON-ABSTAINING DIRECTORS IN RELATION TO THE OVERDRAFT FACILITY RENEWAL.....	15
NOTICE OF EXTRAORDINARY GENERAL MEETING.....	32
EXTRAORDINARY GENERAL MEETING PROXY FORM	

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## DEFINITIONS

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In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

- “Associate”** : (a) In relation to any Director, Chief Executive Officer, substantial Shareholder, or Controlling Shareholder (being an individual) means:
- (i) his Immediate Family;
  - (ii) the trustees of any trust of which he or his Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30% or more; and
- (b) In relation to a substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Audit Committee”** : The audit committee of the Company, from time to time. As at the date of this Circular, the Audit Committee comprises Mr Ng Cher Yan, Mr Sim Idrus Munandar, and Mr Hadi Daryanto
- “Bank Sampoerna”** : PT Bank Sahabat Sampoerna
- “Board”** : The board of Directors of the Company for the time being
- “CDP”** : The Central Depository (Pte) Limited
- “CEO”** : Chief Executive Officer
- “Circular”** : This circular to Shareholders dated 12 April 2024
- “Companies Act”** : The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time
- “Company”** : Samko Timber Limited
- “Constitution”** : The constitution of the Company, as amended, modified or supplemented from time to time
- “Controlling Shareholder”** : A person who:

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## DEFINITIONS

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	(a)	holds directly or indirectly 15% or more of the total voting rights in the Company (unless otherwise determined by the SGX-ST); or
	(b)	in fact exercises control over the Company
<b>“CPF”</b>	:	Central Provident Fund
<b>“Director” or “Directors”</b>	:	A director or the directors of the Company
<b>“EGM”</b>	:	The extraordinary general meeting of the Company to be held on 27 April 2024 at 10.00 am, notice of which is set out on pages 16 to 18 of this Circular
<b>“FY”</b>	:	The financial year commenced or, as the case may be, commencing, on 1 January and ended, or as the case may be, ending 31 December
<b>“FY2023”</b>	:	The financial year ended 31 December 2023
<b>“Group”</b>	:	The Company and its subsidiaries, collectively
<b>“IDR”</b>	:	Indonesian Rupiah, the official currency of Indonesia
<b>“IFA”</b>	:	SAC Capital Private Limited, the independent financial adviser appointed in accordance with Rule 921(4) of the Listing Manual, as well as to advise the Non-Abstaining Directors in respect of the Overdraft Facility Renewal as an interested person transaction
<b>“IFA Letter”</b>	:	The letter dated 12 April 2024 from the IFA to the Non-Abstaining Directors in relation to the Overdraft Facility Renewal as set out in Appendix A
<b>“Immediate Family”</b>	:	In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent
<b>“Indonesia”</b>	:	The Republic of Indonesia
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time
<b>“Non-Abstaining Directors”<sup>1</sup></b>	:	All of the Directors except for Mr Michael Joseph Sampoerna and Mr Eka Dharmajanto Kasih
<b>“Notice of EGM”</b>	:	The notice of EGM as set out on pages 16 to 18 of this Circular

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<sup>1</sup> Bank Sampoerna is an Associate of Mr Michael Joseph Sampoerna and is accordingly an interested person. Bank Sampoerna is not an Associate of Mr Eka Dharmajanto Kasih and is therefore not an interested person by virtue of Mr Eka Dharmajanto Kasih’s shareholding in Bank Sampoerna and PT Sampoerna Investama. Notwithstanding, Mr Eka Dharmajanto Kasih has voluntarily undertaken to procure that all of his Associates abstain from voting at the EGM on the ordinary resolution in respect of the Overdraft Facility Renewal and will not accept appointments as proxies unless the minority Shareholders appointing him as proxy give specific instructions in the relevant proxy form on the manner in which they wish their votes to be cast for the ordinary resolution in respect of the Overdraft Facility Renewal. Mr Eka Dharmajanto Kasih will also voluntarily abstain from making any recommendations on the approval of the Overdraft Facility Renewal to be tabled at the EGM. Please refer to Sections 3, and 5 to 8 of this Circular for further details.

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## DEFINITIONS

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“NTA”	:	Net tangible assets
“NTL”	:	Net tangible liabilities
“Overdraft Facility”	:	The overdraft facility extended by Bank Sampoerna to the Group
“Overdraft Facility Renewal”	:	The renewal of the Overdraft Facility as an interested person transaction
“Register of Members”	:	The register of members of the Company
“Securities Account”	:	A securities account maintained by a Depositor with CDP
“Securities and Futures Act”	:	Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “ <b>Shareholders</b> ” shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
“Shares”	:	Ordinary shares in the capital of the Company
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte Ltd
“Singapore”	:	The Republic of Singapore
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“%” or “per cent.”	:	Per centum or percentage

In this Circular:

- (a) The terms “**Depositor**”, “**Depository Register**”, and “**Depository Agent**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.
- (b) The terms “**subsidiary**”, “**treasury share**”, “**related company**”, and “**substantial Shareholder**” shall have the meanings ascribed to them respectively in the Companies Act.
- (c) The term “**subsidiary holdings**” shall have the meaning ascribed to it in the Listing Manual.
- (d) Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.
- (e) References to persons shall include corporations.

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## DEFINITIONS

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- (f) Unless otherwise provided, references to Sections and Appendices are to sections and appendices of this Circular. References to Paragraphs are to paragraphs of the Appendices.
- (g) The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.
- (h) Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, Securities and Futures Act, Listing Manual, or any statutory modification thereof and used in this Circular shall, unless otherwise defined in this Circular, have the same meaning assigned to it under the Companies Act, Securities and Futures Act, Listing Manual, or any statutory modification thereof, as the case may be.
- (i) Any reference to a time of a day or date in this Circular shall be a reference to Singapore time and dates unless otherwise stated.
- (j) Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

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## LETTER TO SHAREHOLDERS

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### **SAMKO TIMBER LIMITED**

(Company Registration Number 200517815M)  
(Incorporated in the Republic of Singapore)

#### **Board of Directors:**

Mr Eka Dharmajanto Kasih (*Non-Independent and Non-Executive Chairman*)  
Mr Riko Setyabudhy Handoko (*Executive Director and Chief Executive Officer*)  
Mr Michael Joseph Sampoerna (*Non-Independent and Non-Executive Director*)  
Mr Ng Cher Yan (*Lead Independent and Non-Executive Director*)  
Mr Sim Idrus Munandar (*Independent and Non-Executive Director*)  
Mr Ito Sumardi (*Independent and Non-Executive Director*)  
Mr Hadi Daryanto (*Independent and Non-Executive Director*)

#### **Registered Office:**

7500A Beach Road  
#08-305/307 The Plaza  
Singapore 199591

12 April 2024

**To: The Shareholders of Sanko Timber Limited**

Dear Sir/Madam

#### **THE OVERDRAFT FACILITY RENEWAL AS AN INTERESTED PERSON TRANSACTION**

*All capitalised terms herein shall bear the meanings ascribed to them in the Section titled "Definitions" of this Circular.*

#### **1. INTRODUCTION**

- 1.1. The purpose of this Circular is to provide Shareholders with the relevant information pertaining to the mandate for the Overdraft Facility Renewal, which constitutes an interested person transaction, including the rationale for and the benefit to the Company in connection therewith, and to seek Shareholders' approval for the same at the EGM, as set out in the Notice of EGM on pages 16 to 18 of this Circular.
- 1.2. The Overdraft Facility Renewal constitutes an "interested person transaction" under Chapter 9 of the Listing Manual ("IPT") and is subject to the approval of the Shareholders being obtained at the EGM to be convened on 27 April 2024 at 10.00 am.
- 1.3. Shareholders should read this Circular and IFA Letter to the Non-Abstaining Directors in Appendix A carefully and consider the recommendations of the Non-Abstaining Directors in Section 8 and the opinion of the IFA in respect of the Overdraft Facility Renewal.
- 1.4. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.



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## LETTER TO SHAREHOLDERS

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- 1.5. If any Shareholder is in doubt as to the contents of this Circular or the course of action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.
- 1.6. The Company has engaged Dentons Rodyk & Davidson LLP as its legal adviser in relation to this Circular.

## 2. CHAPTER 9 OF THE LISTING MANUAL

### 2.1. Background

Chapter 9 of the Listing Manual governs transactions by a listed company or any of its subsidiaries or associated companies (each known as an “**entity at risk**”) with a party who is an interested person of the listed company. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with it that may adversely affect the interests of the listed company or its shareholders.

### 2.2. Definitions of key terms used in Chapter 9 of the Listing Manual

For the purpose of Chapter 9 of the Listing Manual:

- (a) an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9 of the Listing Manual;
- (b) in the case of a company, an “**associate**” means:
  - (i) in relation to any director, chief executive officer, substantial shareholder, or controlling shareholder (being an individual), his Immediate Family, the trustees of any trust of which he or his Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30% or more; and
  - (ii) in relation to a substantial shareholder or controlling shareholder (being a company), any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;
- (c) an “**associated company**” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;
- (d) a “**controlling shareholder**” is a person who holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the listed company, or in fact exercises control over a company;
- (e) an “**entity at risk**” means a listed company, a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange or an associated company of the listed company that is not listed on the SGX-ST or an approved

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## LETTER TO SHAREHOLDERS

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exchange, provided that the listed group or the listed group and its interested person(s) has control over the associated company;

- (f) in the case of a company, an “**interested person**” means a director, chief executive officer or controlling shareholder of a listed company, or an associate of such director, chief executive officer or controlling shareholder;
- (g) an “**interested person transaction**” means a transaction between an entity at risk and an interested person;
- (h) a “**transaction**” includes, whether or not in the ordinary course of business and whether or not entered into directly or indirectly (for example, through one or more interposed entities), the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments; and
- (i) a “**listed company**” means a company admitted to the Official List of the SGX-ST and not removed.

### 2.3. Materiality thresholds

Save for transactions which are not considered to put the listed company at risk and which are therefore excluded from the ambit of Chapter 9 of the Listing Manual, an immediate announcement and/or shareholders’ approval would be required in respect of these transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds.

In particular, an immediate announcement is required where:

- (a) the value of an interested person transaction is equal to, or more than, 3% of the listed group’s latest audited consolidated NTA; or
- (b) the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the listed group’s latest audited consolidated NTA. In this instance, the announcement will be required to disclose the latest transaction and all future transactions entered into with that same interested person during the financial year.

Shareholders’ approval is required where:

- (i) the value of an interested person transaction is equal to, or more than, 5% of the listed group’s latest audited consolidated NTA; or
- (ii) the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 5% or more of the listed group’s latest audited consolidated NTA. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

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## LETTER TO SHAREHOLDERS

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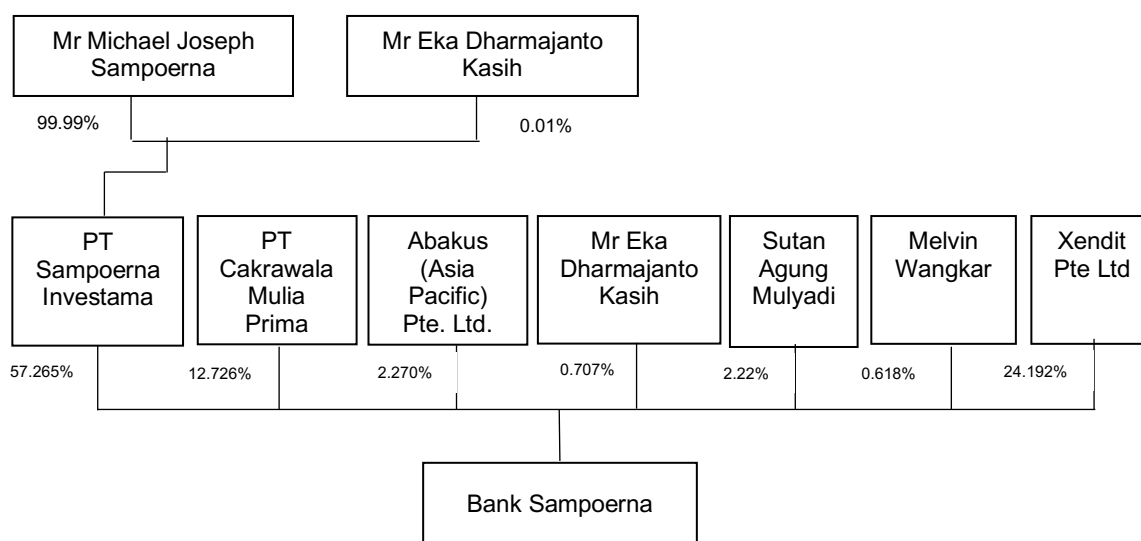
For the purposes of Chapter 9 of the Listing Manual, the "**value**" of an interested person transaction is the amount at risk to the listed company, as illustrated in Rule 909 of the Listing Manual.

It should be noted that interested person transactions which are below S\$100,000 in value are not subject to Rules 905 or 906 of the Listing Manual. The SGX-ST may, however, aggregate any such transactions entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902 of the Listing Manual.

### 3. THE OVERDRAFT FACILITY RENEWAL AS AN INTERESTED PERSON TRANSACTION

#### 3.1. Information on Bank Sampoerna

Bank Sampoerna is a private bank established in Indonesia, offering regular financial services to small and medium enterprises, individuals and companies in Indonesia. As at the date of this Circular, the shareholding structure of Bank Sampoerna is as follows:



As Mr Michael Joseph Sampoerna is a Director of the Company and holds more than 30% of the shares in Bank Sampoerna indirectly through PT Sampoerna Investama, Bank Sampoerna is considered an Associate of Mr Michael Joseph Sampoerna and is therefore an interested person. Accordingly, the Overdraft Facility Renewal is an interested person transaction under Chapter 9 of the Listing Manual.

#### 3.2. Details of the Overdraft Facility Renewal

##### 3.2.1. Background

In January 2016, on the request of the Group, Bank Sampoerna made an offer to provide an unsecured overdraft facility to the Group. The Company had, at extraordinary general meetings held in 2017, 2018 and 2019, sought and obtained the approval of the Shareholders for the renewal of the overdraft facility.

On 23 April 2020, a subsidiary of the Company, PT Sumber Graha Sejahtera ("**PT SGS**") renewed the overdraft facility from Bank Sampoerna for an additional period of one (1) year ended on 28 April 2021 ("**2020 Overdraft Facility**"), at a fixed interest rate of 13.5% per annum and a credit / provision fee of 0.5% per annum, for working capital purposes.

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## LETTER TO SHAREHOLDERS

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Assuming that the 2020 Overdraft Facility was fully utilised, the interest and other charges to be paid pursuant to the 2020 Overdraft Facility would amount to approximately IDR 8,400 million, which represents approximately 4.26% of the audited consolidated NTA of the Group as at 31 December 2019. As the value of this IPT exceeded 3%, but did not exceed 5%, of the Group's audited consolidated NTA of the Group as at 31 December 2019, the Company had made an announcement on the renewal of the 2020 Overdraft Facility on 30 June 2020 pursuant to Rule 905 of the Listing Manual, and no shareholders' approval was required.

PT SGS had, in 2021 and 2022 respectively, renewed the overdraft facility from Bank Sampoerna for a period of one (1) year each. However as the interest and other charges to be paid pursuant to each aforementioned overdraft facility, when aggregated, did not exceed 3% of the respective latest audited consolidated NTA of the Group as at the date of each such renewal, no announcement and shareholders' approval were required.

On 12 April 2023, PT SGS renewed the overdraft facility from Bank Sampoerna for an additional period from 28 April 2023 to 1 May 2024 ("**2023 Overdraft Facility**"), at a fixed interest rate of 13.5% per annum and no credit / provision fee chargeable, for working capital purposes. Assuming that the 2023 Overdraft Facility was fully utilised, the interest and other charges to be paid pursuant to the 2023 Overdraft Facility would amount to approximately IDR 8,100 million, which represents approximately 2.23% of the audited consolidated NTA of the Group as at 31 December 2021, being the latest audited consolidated NTA of the Group as at the date of the renewal of the 2023 Overdraft Facility. As the value of this IPT did not exceed 3% of the Group's latest audited consolidated NTA of the Group as at the date of such renewal, the Company was not required to make an announcement on the renewal of the 2023 Overdraft Facility and no shareholders' approval was also required.

### 3.2.2. Terms of the Overdraft Facility Renewal

As the 2023 Overdraft Facility granted by Bank Sampoerna is maturing on 1 May 2024, Bank Sampoerna had offered to extend the Overdraft Facility on the following key terms and conditions:

Facility	:	Overdraft facility
Amount of Facility	:	IDR 60,000,000,000 (approximately S\$5,081,731 <sup>2</sup> )
Purpose of Facility	:	Working capital
Period	:	12 months commencing on 1 May 2024
Effective Interest Rate Per Annum	:	13.50% fixed rate per annum
Credit / Provision Fee	:	Nil

The terms and conditions of the Overdraft Facility Renewal, including the interest rate, were commercially negotiated between the Group and Bank Sampoerna, taking into account the prevailing interest rates, the financial condition of the Group, as well as the

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<sup>2</sup> Based on a rate of exchange of S\$1 : IDR11,807 as at 5 April 2024, as obtained from the Bank Indonesia Exchange middle rate accessible at <https://www.bi.go.id/en/statistik/informasi-kurs/transaksi-bi/default.aspx>, and is provided for reference purposes only.

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## LETTER TO SHAREHOLDERS

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availability of overdraft facilities to the Group from other banks in Indonesia. No security is required to be provided in relation to the Overdraft Facility Renewal.

### 3.2.3. Shareholders' approval

Assuming that the renewed Overdraft Facility is fully utilised, the interest and other charges to be paid pursuant to the Overdraft Facility Renewal would amount to approximately IDR 8,100 million. Based on the audited consolidated financial statements of the Group for FY2023, the NTL of the Group is IDR 611,062 million. As such, the materiality of the Overdraft Facility Renewal cannot be meaningfully measured. Pursuant to Rule 906(3) of the Listing Manual, if the Group's latest audited net tangible assets is negative, the issuer should consult the SGX-ST on the appropriate benchmark to calculate the relevant threshold in Rule 906(1), which may be based on its market capitalization.

Notwithstanding the foregoing, the Company will be seeking Shareholders' approval for the Overdraft Facility Renewal in accordance with Rule 906(1)(a) of the Listing Manual.

### 3.3. **Rationale for and benefit of the Overdraft Facility Renewal**

The Group regularly requires financing for working capital purposes, and in particular, the readiness of available funds is critical in order for the Group to purchase raw materials to fulfil its orders for timber products.

Delays faced by the Group in obtaining such additional financing may affect the Group's ability to fulfil orders in a timely manner, thus reducing cost efficiency. The availability of the Overdraft Facility Renewal will provide the Group with the flexibility the Group requires when demand for its products increases, which in turn necessitates the purchase of more raw materials (for example, mixed light hardwood logs, which changes with market requirements), and the Group will be able to secure raw materials in a timely and most cost effective manner, as was evident previously when the Overdraft Facility was made available to the Group.

To the Company's knowledge, the interest rates for overdraft facilities are not published by the banks in Indonesia or publicly available. Accordingly, as at the date of this Circular, the Group had approached ten (10) other banks in Indonesia, during the first three (3) months of 2024, to provide quotes for an IDR 60,000,000,000 working capital overdraft facility on the same terms as Bank Sampoerna in not requiring the Group to provide security. Out of these ten (10) banks, seven (7) of them are the Group's existing banks and all of them declined the Group's request for the provision of additional overdraft facilities. The three (3) new banks that the Group approached were banks of at least Buku 2 tier in Indonesia, similar to the seven (7) existing banks. Out of the three (3) new banks that the Group had approached, one (1) of them declined the Group's request for a facility on the same terms and conditions as that provided by Bank Sampoerna which does not require the Group to provide security, while the remaining two (2) banks did not respond to the Group's request for quotes and the Group had difficulties following up as the Group did not have any pre-existing relations with, or contacts at, such banks.

Notwithstanding the renewal of the Overdraft Facility, the Company will continue to seek other alternative financing arrangements. In the event that other banks offer overdraft facilities to the Group, such offer will be brought to the attention of the Audit Committee for review and approval. If the Audit Committee deems such facilities to be on better

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## LETTER TO SHAREHOLDERS

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terms, the Company will enter into and utilise such facilities before utilising the renewed Overdraft Facility.

### 3.4. Details of the interested person transactions

Disregarding transactions below S\$100,000 in accordance with Rules 905(3) and 906(2) of the Listing Manual, the aggregate value of all transactions entered into between the Group and Mr Michael Joseph Sampoerna and his Associates for FY2023 is approximately IDR 16,874 million (approximately S\$1,429,152<sup>3</sup>), comprising (i) approximately IDR 7,411 million<sup>4</sup> (approximately S\$627,678<sup>5</sup>) to PT Sampoerna Land for office rental which comprised approximately 2.04% of the audited NTA for FY2021, being the audited consolidated NTA of the Group as at the date of the agreement, and (ii) approximately IDR 9,463 million (approximately S\$801,473<sup>6</sup>) to Bank Sampoerna for interest expenses incurred for FY2023, which comprised approximately 2.60% of the audited NTA for FY2021, being the audited consolidated NTA of the Group as at the date of the relevant agreements for which such expenses were incurred.

## 4. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

4.1. Based on the Company's register of interest of Directors and register of substantial Shareholders respectively, as at the date of this Circular, the interests of the Directors and substantial Shareholders in the Company in the Shares are as follows:

Director and/or substantial Shareholder	Direct Interest		Deemed Interest		Total	
	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
<b>Directors</b>						
Riko Setyabudhy Handoko	150,900,364	1.75	-	-	150,900,364	1.75
<b>Substantial Shareholders (other than Directors)</b>						
Sampoerna Forestry Limited <sup>(1)</sup>	7,082,692,060	81.91	-	-	7,082,692,060	81.91

**Note:**

<sup>(1)</sup> The family of Mr Michael Joseph Sampoerna holds more than 30% of the beneficial interest in Sampoerna Forestry Limited, and accordingly Sampoerna Forestry Limited is an associate of Mr Michael Joseph Sampoerna within the meaning of the Listing Manual. Mr Michael Joseph Sampoerna does not own any interests in Sampoerna Forestry Limited.

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<sup>3</sup> Based on a rate of exchange of S\$1 : IDR11,807 as at 5 April 2024, as obtained from the Bank Indonesia Exchange middle rate accessible at <https://www.bi.go.id/en/statistik/informasi-kurs/transaksi-bi/default.aspx>, and is provided for reference purposes only.

<sup>4</sup> The subsidiaries of the Group, PT SGS and PT Mangole Timber Producers had entered into separate amended lease agreements with PT Sampoerna Land on 29 December 2022 for a term of two (2) years commencing on 1 January 2023 and expiring on 31 December 2024 respectively. Shareholders' approval for the aforementioned leases is exempted under Rule 916(1) of the Listing Manual on the basis that: (a) the terms of the amended lease agreements were for a period not exceeding three (3) years, and (b) the terms of the lease agreements was supported by an independent valuation report. Please refer to the Company's announcements dated 14 March 2023 (Announcement Reference: SG230314OTHRCLRN) and 11 August 2023 (Announcement Reference: SG230811OTHRKQX3) for further details.

<sup>5</sup> Based on a rate of exchange of S\$1 : IDR11,807 as at 5 April 2024, as obtained from the Bank Indonesia Exchange middle rate accessible at <https://www.bi.go.id/en/statistik/informasi-kurs/transaksi-bi/default.aspx>, and is provided for reference purposes only.

<sup>6</sup> Based on a rate of exchange of S\$1 : IDR11,807 as at 5 April 2024, as obtained from the Bank Indonesia Exchange middle rate accessible at <https://www.bi.go.id/en/statistik/informasi-kurs/transaksi-bi/default.aspx>, and is provided for reference purposes only.

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## LETTER TO SHAREHOLDERS

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4.2. Save as disclosed in this Circular, none of the Directors or, to the best of the knowledge of the Company, the substantial Shareholders, has any other interest, direct or indirect, in the Overdraft Facility Renewal other than through their respective shareholdings in the Company.

### 5. OPINION OF THE IFA

5.1. SAC Capital Private Limited has been appointed as the independent financial adviser in accordance with Rule 921(4) of the Listing Manual, as well as to advise the Non-Abstaining Directors in respect of the Overdraft Facility Renewal.

5.2. Taking into consideration the factors set out in the IFA Letter, subject to the assumptions and qualifications set out in the IFA Letter and information available to the IFA as at the date of this Circular, the IFA is of the opinion that on balance, the Overdraft Facility Renewal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the IFA has advised the Non-Abstaining Directors in respect of the Overdraft Facility Renewal to recommend the Shareholders to vote in favour of the Overdraft Facility Renewal.

5.3. A copy of the IFA Letter dated 12 April 2024 in relation to the above is set out and appended as Appendix A. Shareholders are advised to read the IFA Letter in its entirety.

### 6. AUDIT COMMITTEE STATEMENT

The Audit Committee has considered, *inter alia*, the terms, rationale for and benefit of the Overdraft Facility Renewal as well as the IFA Letter, and is of the view that the Overdraft Facility Renewal is on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

### 7. ABSENTION FROM VOTING

7.1. Rule 919 of the Listing Manual states that in a meeting to obtain Shareholder approval, the interested person and any associate of the interested person must not vote on the resolution in respect of the interested person transaction, nor accept appointments as proxies unless specific instructions as to voting are given.

7.2. Mr Michael Joseph Sampoerna is not a Shareholder, and is therefore unable to vote in respect of Shareholders' resolution tabled at the EGM. In light of the relationship set out in Section 3.1, Mr Michael Joseph Sampoerna has undertaken to procure that all of his Associates, including Sampoerna Forestry Limited, abstain from voting at the EGM on the ordinary resolution in respect of the Overdraft Facility Renewal and will not accept appointments as proxies unless the minority Shareholders appointing him as proxy give specific instructions in the relevant proxy form(s) on the manner in which they wish their votes to be cast for the ordinary resolution in respect of the Overdraft Facility Renewal.

7.3. Mr Eka Dharmajanto Kasih is not a Shareholder, and is therefore unable to vote in respect of Shareholders' resolution tabled at the EGM. Notwithstanding that Bank Sampoerna is an interested person by virtue of Mr Michael Joseph Sampoerna's shareholding in PT Sampoerna Investama and not Mr Eka Dharmajanto Kasih's shareholding in Bank Sampoerna and PT Sampoerna Investama, Mr Eka Dharmajanto Kasih has nevertheless voluntarily undertaken to procure that all of his Associates abstain from voting at the EGM on the ordinary resolution in respect of the Overdraft Facility Renewal and will not accept appointments as proxies unless the minority Shareholders appointing him as proxy give specific instructions in the relevant

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## LETTER TO SHAREHOLDERS

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proxy form on the manner in which they wish their votes to be cast for the ordinary resolution in respect of the Overdraft Facility Renewal.

- 7.4. There is no family relationship between Mr Michael Joseph Sampoerna and Mr Eka Dharmajanto Kasih.

### 8. DIRECTORS' RECOMMENDATIONS

- 8.1. Mr Michael Joseph Sampoerna shall abstain from making any recommendations on the approval of the Overdraft Facility Renewal to be tabled at the EGM. He will also not accept appointments as proxies for voting in respect of the ordinary resolution for the Overdraft Facility Renewal set out in the Notice of EGM unless specific instructions as to voting are given.
- 8.2. Notwithstanding that Bank Sampoerna is an interested person by virtue of Mr Michael Joseph Sampoerna's shareholding in PT Sampoerna Investama and not Mr Eka Dharmajanto Kasih's shareholding in Bank Sampoerna and PT Sampoerna Investama, Mr Eka Dharmajanto Kasih will nevertheless voluntarily abstain from making any recommendations on the approval of the Overdraft Facility Renewal to be tabled at the EGM. He will also not accept appointments as proxies for voting in respect of the ordinary resolution for the Overdraft Facility Renewal set out in the Notice of EGM unless specific instructions as to voting are given.
- 8.3. Having fully considered the rationale for and benefit of the Overdraft Facility Renewal as well as the IFA Letter, the Non-Abstaining Directors are of the opinion that the Overdraft Facility Renewal is in the best interests of the Company and the Shareholders. Accordingly, the Non-Abstaining Directors recommend that Shareholders vote in favour of the ordinary resolution relating thereto to be proposed at the EGM as set out in the Notice of EGM.

### 9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 16 to 18 of this Circular, will be held at Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on Saturday, 27 April 2024 at 10.00 am for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution set out in the Notice of EGM on pages 16 to 18 of this Circular.

### 10. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon. The completed and signed proxy form should be returned as soon as possible and, in any event, should arrive at the Share Registrar's registered office at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632, not later than forty-eight (48) hours before the time fixed for the EGM. Shareholders who have completed and returned the proxy form may still attend and vote in person at the EGM, if they so wish, in place of their proxy.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least seventy-two (72) hours before the EGM.



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## LETTER TO SHAREHOLDERS

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### 11. CONSENT

SAC Capital Private Limited, the IFA appointed in accordance with Rule 921(4) of the Listing Manual, as well as to advise the Non-Abstaining Directors in respect of the Overdraft Facility Renewal, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the IFA Letter set out in Appendix A, its name and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

### 12. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the Company's registered office at 7500A Beach Road, #08-305/307 The Plaza, Singapore 199591 on any weekday (public holidays excepted) from the date of this Circular up to the date of the EGM:

- (a) the Constitution;
- (b) the annual report of the Company for FY2023;
- (c) the IFA Letter set out in Appendix A; and
- (d) the letter of consent referred to in Section 11.

### 13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Overdraft Facility Renewal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully  
for and on behalf of the Board of Directors of  
**Samko Timber Limited**

Riko Setyabudhy Handoko  
Executive Director and Chief Executive Officer

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**APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE  
NON-ABSTAINING DIRECTORS  
IN RELATION TO THE OVERDRAFT FACILITY RENEWAL**

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**SAC CAPITAL PRIVATE LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No: 200401542N)

1 Robinson Road  
#21-00 AIA Tower  
Singapore 048542

12 April 2024

To: The Non-Abstaining Directors of Samko Timber Limited in relation to the Overdraft Facility Renewal (As defined therein)

Mr Riko Setyabudhy Handoko  
Mr Ng Cher Yan  
Mr Sim Idrus Munandar  
Mr Ito Sumardi  
Mr Hadi Daryanto

Dear Sirs

**THE OVERDRAFT FACILITY RENEWAL AS AN INTERESTED PERSON TRANSACTION**

*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 12 April 2024 (the “**Circular**”) shall have the same meanings herein.*

**1. INTRODUCTION**

We understand that Samko Timber Limited (the “**Company**”) wishes to seek the approval of the shareholders of the Company (“**Shareholders**”) for the proposed renewal of the overdraft facility (the “**Overdraft Facility**”) from PT Bank Sahabat Sampoerna (“**Bank Sampoerna**”), an Associate of Mr Michael Joseph Sampoerna (“**Michael Sampoerna**”, who is a Director of the Company), which constitutes an interested person transaction (the “**Overdraft Facility Renewal**”).

Mr Michael Sampoerna is a Director of the Company who holds more than 30% of the shares in Bank Sampoerna indirectly through PT Sampoerna Investama. Accordingly, under Chapter 9 of the Listing Manual, Bank Sampoerna is considered an “interested person” of the Company, and transactions between the Company and its subsidiaries (collectively, the “**Group**”) and Bank Sampoerna constitute interested person transactions.

Under Chapter 9 of the Listing Manual, Shareholders’ approval and/or an immediate announcement is required in respect of the transaction between a listed company and an “interested person” if the value of the transaction is equal to or exceeds certain financial thresholds. In particular, Shareholders’ approval is required where the value of such transaction(s) is equal to, or more than 5% of the latest audited consolidated net tangible assets (“**NTA**”) of the listed company.

Assuming that the renewed Overdraft Facility is fully utilised, the interest and other charges to be paid pursuant to the Overdraft Facility Renewal would amount to approximately IDR 8,100 billion. Based on the audited consolidated financial

statements of the Group for FY2023, the Net Tangible Liabilities (“**NTL**”) of the Group is IDR 611,062 million. Accordingly, as set out in section 3.2.3 of the Circular, the materiality of the Overdraft Facility Renewal cannot be meaningfully measured. Pursuant to Rule 906(3) of the Listing Manual, if the Group’s latest audited net tangible assets is negative, the issuer should consult the SGX-ST on the appropriate benchmark to calculate the relevant threshold in Rule 906(1), which may be based on its market capitalization. Notwithstanding the foregoing, the Company will be seeking Shareholders’ approval for the Overdraft Facility Renewal in accordance with Rule 906(1)(a) of the Listing Manual.

In connection with the above, the Company has appointed us as the independent financial adviser (the “**IFA**”) in accordance with Rule 921(4) of the Listing Manual, as well as to advise the directors of the Company (the “**Directors**”) who are considered independent for the purposes of the Overdraft Facility Renewal (the “**Non-Abstaining Directors**”) to provide an opinion on whether the Overdraft Facility Renewal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

This letter, which sets out our evaluation and opinion, has been prepared to comply with Rule 921(4)(a) of the Listing Manual as well as addressed to the Non-Abstaining Directors in connection with and for the purposes of their consideration of the Overdraft Facility Renewal and their recommendation(s) to the minority Shareholders arising thereof.

## 2. **TERMS OF REFERENCE**

The Company has appointed us as the IFA in accordance with Rule 921(4) of the Listing Manual, as well as to advise the Non-Abstaining Directors on whether the Overdraft Facility Renewal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

We are not and were not involved in any aspect of the negotiations entered into by the Company or in the deliberations leading up to the decision of the Directors to undertake the Overdraft Facility Renewal. Accordingly, we do not, by this letter, warrant the merits of the Overdraft Facility Renewal other than to express an opinion on whether the Overdraft Facility Renewal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

We have not evaluated, and have not been requested to comment on, the strategic, legal, commercial or financial merits and/or risks of the Overdraft Facility Renewal, or the prospects or earnings potential of the Company or the Group pursuant to the Overdraft Facility Renewal. Such evaluation or comment, if any, is and remains the sole responsibility of the Directors, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion.

In the course of our evaluation, we have held discussions with the Directors and/or the management of the Company (the “**Management**”) and their professional advisers and have relied on the information and representations, whether written or verbal, collated by us as well as information provided to us by the Directors, the Management and their professional advisers contained in the Circular. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified such information or representations and accordingly cannot and do not warrant or accept responsibility for the accuracy, completeness or adequacy of these information or representations. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy,

completeness or adequacy of such information or facts. We have, however, made reasonable enquiries and exercised our judgment (as deemed necessary) in assessing the information and representations provided to us, and have found no reason to doubt the accuracy and reliability of such information or representations which we have relied on.

The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, (a) all material information available to them in connection with the Overdraft Facility Renewal have been disclosed to us and in the Circular, (b) such information is true and accurate in all material respects, and (c) there is no other information or fact, the omission of which would cause any information disclosed to us or in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

Save as disclosed, we would like to highlight that all information relating to the Company and its subsidiaries (collectively, the “**Group**”) that we have relied upon in arriving at our opinion has been obtained from the Circular, publicly available information and/or from the Directors and the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Company and/or the Group at any time or as at 5 April 2024 (the “**Latest Practicable Date**”).

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Group, or to express, and we do not express, any view on the future growth prospects, financial position and earnings potential of the Company or the Group. We have not been provided with, nor do we have access to, any business plans or financial projections of the future performance of the Company or the Group and we did not conduct any discussions with the Directors and the Management on any such business plans or financial projections of the Company or the Group.

We have not made an independent evaluation or appraisal of the assets (including property, plant and equipment) and liabilities of the Company and the Group and we have not been furnished with any such evaluation or appraisal.

Our opinion, as set out in this letter, is based on the market, economic, industry, monetary and other applicable conditions prevailing on, and the information made available to us, as at the Latest Practicable Date. Such condition may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. In arriving at our opinion, with the consent of the Directors and/or the Company, we have taken into account certain other factors and have made certain assumptions as set out in this letter.

In rendering our opinion, we have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder or specific group of Shareholders. We recommend that any individual Shareholder or specific group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional advisers. Shareholders should further take note of any announcements which may be released by the Company after the Latest Practicable Date which are relevant to the Overdraft Facility Renewal and other related corporate actions.

**Our opinion in relation to the Overdraft Facility Renewal should be considered in the context of the entirety of this letter and the Circular.**

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this letter). We have had no role or involvement and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

### **3. INFORMATION ON THE INTERESTED PERSON**

#### **Information on Bank Sampoerna**

Bank Sampoerna is a private bank established in Indonesia, offering regular financial services to small and medium enterprises, individuals and companies in Indonesia.

As set out in section 3.1 of the Circular, as at the Latest Practicable Date, as Mr Michael Sampoerna, a Director of the Company, holds more than 30% of the shares in Bank Sampoerna indirectly through PT Sampoerna Investama, Bank Sampoerna is considered an Associate of Mr Michael Joseph Sampoerna and is therefore an interested person. Accordingly, the Overdraft Facility Renewal is an interested person transaction under Chapter 9 of the Listing Manual.

### **4. OVERVIEW OF THE OVERDRAFT FACILITY RENEWAL**

#### **4.1 Introduction**

In January 2016, on the request of the Group, Bank Sampoerna made an offer to provide an unsecured overdraft facility to the Group. The Company had, at extraordinary general meetings held in 2017, 2018 and 2019, sought and obtained the approval of the Shareholders for the renewal of the overdraft facility.

On 23 April 2020, a subsidiary of the Company, PT Sumber Graha Sejahtera (“**PT SGS**”) renewed the overdraft facility from Bank Sampoerna for an additional period of one (1) year ended on 28 April 2021 (“**2020 Overdraft Facility**”), at a fixed interest rate of 13.5% per annum and a credit / provision fee of 0.5% per annum, for working capital purposes. Assuming that the 2020 Overdraft Facility was fully utilised, the interest and other charges to be paid pursuant to the 2020 Overdraft Facility would amount to approximately IDR 8,400 million, which represents approximately 4.26% of the audited consolidated NTA of the Group as at 31 December 2019. As the value of this IPT exceeded 3%, but did not exceed 5%, of the Group’s audited consolidated NTA of the Group as at 31 December 2019, the Company had made an announcement on the renewal of the 2020 Overdraft Facility on 30 June 2020 pursuant to Rule 905 of the Listing Manual, and no shareholders’ approval was required.

PT SGS had, in 2021 and 2022 respectively, renewed the overdraft facility from Bank Sampoerna for a period of one (1) year each. However as the interest and other charges to be paid pursuant to each aforementioned overdraft facility, when aggregated, did not exceed 3% of the respective latest audited consolidated NTA of the Group as at the date of each such renewal, no announcement and shareholders’ approval were required.

On 12 April 2023, PT SGS renewed the overdraft facility from Bank Sampoerna for an additional period from 28 April 2023 to 1 May 2024 (“**2023 Overdraft Facility**”), at a fixed interest rate of 13.5% per annum and no credit / provision fee chargeable, for

working capital purposes. Assuming that the 2023 Overdraft Facility was fully utilised, the interest and other charges to be paid pursuant to the 2023 Overdraft Facility would amount to approximately IDR 8,100 million, which represents approximately 2.23% of the audited consolidated NTA of the Group as at 31 December 2021, being the latest audited consolidated NTA of the Group as at the date of the renewal of the 2023 Overdraft Facility. As the value of this IPT did not exceed 3% of the Group's latest audited consolidated NTA of the Group as at the date of such renewal, the Company was not required to make an announcement on the renewal of the 2023 Overdraft Facility and no shareholders' approval was also required.

#### **4.2 Terms of the Overdraft Facility Renewal**

As the 2023 Overdraft Facility granted by Bank Sampoerna is maturing on 1 May 2024, Bank Sampoerna had offered to extend the Overdraft Facility on the following key terms and conditions:

Facility	:	Overdraft facility
Amount of Facility	:	IDR 60,000,000,000 (approximately S\$5,081,731 <sup>1</sup> )
Purpose of Facility	:	Working capital
Period	:	12 months commencing on 1 May 2024
Effective interest rate per annum	:	13.50% fixed rate per annum
Credit / Provision fee	:	Nil

The terms and conditions of the Overdraft Facility Renewal, including the interest rate, were commercially negotiated between the Group and Bank Sampoerna, taking into account the prevailing interest rates, the financial condition of the Group, as well as the availability of overdraft facilities to the Group from other banks in Indonesia. No security is required to be provided in relation to the Overdraft Facility Renewal.

Further details of the Overdraft Facility are set out in section 3.2 of the Circular, and Shareholders are advised to read the information carefully.

#### **5. EVALUATION OF THE OVERDRAFT FACILITY RENEWAL AS AN INTERESTED PERSON TRANSACTION**

In our evaluation of the Overdraft Facility Renewal as an interested person transaction, we have considered the following:

- (a) the rationale for and benefit of the Overdraft Facility Renewal;
- (b) the historical financial performance and position of the Group;
- (c) the reasonableness of the key terms of the Overdraft Facility Renewal; and
- (d) other relevant considerations.

<sup>1</sup> Based on a rate of exchange of S\$1 : IDR11,807 as at 5 April 2024, as obtained from the Bank Indonesia Exchange middle rate accessible at <https://www.bi.go.id/en/statistik/informasi-kurs/transaksi-bi/default.aspx>, and is provided for reference purposes only.

## **5.1 Rationale for and benefit of the Overdraft Facility Renewal**

It is not within our terms of reference to comment or express an opinion on the merits of the Overdraft Facility Renewal or the future prospects of the Group after the completion of the Overdraft Facility Renewal. Nonetheless, we have reviewed the rationale for and benefit of the Overdraft Facility Renewal as set out in section 3.3 of the Circular, which is reproduced in italics below:

*“The Group regularly requires financing for working capital purposes, and in particular, the readiness of available funds is critical in order for the Group to purchase raw materials to fulfil its orders for timber products.*

*Delays faced by the Group in obtaining such additional financing may affect the Group’s ability to fulfil orders in a timely manner, thus reducing cost efficiency. The availability of the Overdraft Facility Renewal will provide the Group with the flexibility the Group requires when demand for its products increases, which in turn necessitates the purchase of more raw materials (for example, mixed light hardwood logs, which changes with market requirements), and the Group will be able to secure raw materials in a timely and most cost effective manner, as was evident previously when the Overdraft Facility was made available to the Group.*

*To the Company’s knowledge, the interest rates for overdraft facilities are not published by the banks in Indonesia or publicly available. Accordingly, as at the date of this Circular, the Group had approached ten (10) other banks in Indonesia, during the first three (3) months of 2024, to provide quotes for an IDR 60,000,000,000 working capital overdraft facility on the same terms as Bank Sampoerna in not requiring the Group to provide security. Out of these ten (10) banks, seven (7) of them are the Group’s existing banks and all of them declined the Group’s request for the provision of additional overdraft facilities. The three (3) new banks that the Group approached were banks of at least Buku 2 tier in Indonesia, similar to the seven (7) existing banks. Out of the three (3) new banks that the Group had approached, one (1) of them declined the Group’s request for a facility on the same terms and conditions as that provided by Bank Sampoerna which does not require the Group to provide security, while the remaining two (2) banks did not respond to the Group’s request for quotes and the Group had difficulties following up as the Group did not have any pre-existing relations with, or contacts at, such banks.*

*Notwithstanding the renewal of the Overdraft Facility, the Company will continue to seek other alternative financing arrangements. In the event that other banks offer overdraft facilities to the Group, such offer will be brought to the attention of the Audit Committee for review and approval. If the Audit Committee deems such facilities to be on better terms, the Company will enter into and utilise such facilities before utilising the renewed Overdraft Facility.”*

## **5.2 Historical financial performance and position of the Group**

The salient historical financial information of the Group for the financial years ended 31 December 2021, 2022 and 2023 (“FY2021”, “FY2022” and “FY2023” respectively) is set out below:

<b>Consolidated Income Statement</b>	<b>----- Audited -----</b>			
	<b>(IDR' million)</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>
		<b>(Restated)</b>		
Revenue	3,943,162	3,618,477	2,260,772	
Gross profit / (loss)	726,292	603,422	(18,779)	
Profit / (loss) before taxation	21,610	(213,495)	(666,397)	
Net profit / (loss) attributable to owners of the Company	(7,790)	(252,889)	(752,543)	

<b>Consolidated Balance Sheets</b>	<b>----- Audited -----</b>			
	<b>(IDR' million)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
		<b>(Restated)</b>		
			<b>As at 31 December</b>	
Current assets	1,564,179	2,014,735	1,480,627	
Current liabilities	1,696,795	2,325,889	3,085,346	
Working capital	(132,616)	(311,154)	(1,604,719)	
Non-current assets	1,312,875	1,673,488	2,777,488	
Non-current liabilities	765,659	1,231,848	1,783,831	
Total loans and borrowings	1,517,398	2,361,710	3,071,858	
Equity attributable to owners of the Company	96,295	(188,177)	(980,754)	

<b>Consolidated Cash Flows Statement</b>	<b>----- Audited -----</b>			
	<b>(IDR' million)</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>
		<b>(Restated)</b>		
Net cash flows generated from operating activities	246,187	145,596	345,159	
Net cash flows used in investing activities	(140,837)	(710,910)	(892,147)	
Net cash flows generated from / (used in) financing activities	(96,302)	550,755	550,855	
Net increase (decrease) in cash and cash equivalents	9,048	(14,559)	3,867	
Cash and cash equivalents at end of financial year/period	39,586	26,882	30,372	

*Sources: Annual reports of the Company for FY2022 and FY2023*

We note that:

- (a) **Revenue.** The Group's revenue decreased from IDR 3,943.2 billion in FY2021 to IDR 3,618.5 billion in FY2022 mainly due to the decrease in sales volume



for both domestic and export markets, especially in the United States market, in which the revenue decreased by 11.0%, brought about by the downturn in the housing and recreational vehicle market.

The Group's revenue decreased from IDR 3,618.5 billion in FY2022 to IDR 2,260.8 billion in FY2023, mainly due to the decrease in sales volume and lower average selling prices;

- (b) **Gross profit.** The Group's gross profit decreased from IDR 726.3 billion in FY2021 to IDR 603.4 billion in FY2022, with a declining gross profit margin of the Group from 18.4% in FY2021 to 16.7% in FY2022. This was mainly due to lower sales generated from the lower sales volume that caused higher unit production costs.

The Group recorded a gross loss of IDR 18.8 billion in FY2023, as compared to a gross profit of IDR 603.4 billion in FY2022, mainly due to lower sales volume and lower average selling prices as mentioned in paragraph (a) above;

- (c) **Net profit / (loss).** The Group recorded a net loss attributable to owners of the Company of IDR 252.9 billion in FY2022 vis-à-vis a net loss attributable to owners of the Company of IDR 7.8 billion in FY2021. The increase of losses was mainly attributable to (i) lower revenue as explained in paragraph (a) above; (ii) increase in selling expenses due to the increase in logistics costs; and (iii) the increase in other expenses. The increase in other expenses was mainly due to higher net foreign exchange losses of IDR 101.0 billion in FY2022. The net foreign exchange losses incurred in FY2022 was mainly due to unrealised foreign exchange loss from translation of the Group's US Dollar denominated loans.

The Group reported a net loss attributable to owners of the Company of IDR 252.9 billion in FY2022 vis-à-vis a net loss attributable to owners of the Company of IDR 752.5 billion in FY2023. This was mainly due to the lower sales and gross loss incurred, and the higher interest and general and administrative expenses incurred in FY2023;

- (d) **Working capital.** The Group recorded negative working capital of IDR 132.6 billion, IDR 311.2 billion and IDR 1,604.7 billion as at 31 December 2021, 31 December 2022 and 31 December 2023 respectively. The decrease of working capital as at 31 December 2023 was mainly attributable to lower trade receivables which were in line with the decrease in sales revenue, lower inventories in line with the decrease in production volume, and increase in loans and borrowings to finance the investment activities and operations;
- (e) **Equity attributable to owners of the Company.** Equity attributable to owners of the Company had declined from a positive position of IDR 96.3 billion as at 31 December 2021 to a deficit of IDR 188.2 billion as at 31 December 2022. As at 31 December 2023, equity attributable to owners of the Company was in a deficit of IDR 980.8 billion; and
- (f) **Operating cash flows.** The Group recorded positive operating cash flows of IDR 246.2 billion, IDR 145.6 billion and IDR 345.2 billion for FY2021, FY2022 and FY2023 respectively.

We further note that BDO LLP, the independent auditors of the Company had, in the Independent Auditor's Report for FY2023, highlighted that a material uncertainty exists that may cast a significant doubt on the ability of the Group to continue as a going concern in its preparation of the consolidated financial statements and the related disclosures in Note 3 to the financial statements. We further note the following

statement on the basis of preparation of the consolidated financial statements of the Group under Note 3 to financial statements:

*“We draw attention to Note 3 in the financial statements, which indicates that the Group incurred a net loss of Rp701,548 million during the financial year ended 31 December 2023 and, as of that date, the Group’s current liabilities exceeded its current assets by Rp1,604,719 million, of which the Group has short-term bank loans amounting to Rp1,895,165 million, as disclosed in Note 27 to the financial statements, which are due within the next twelve months from 31 December 2023. The Group also has a deficit in equity attributable to owners of the Company amounted to Rp980,754 million as at 31 December 2023.*

*These conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast a significant doubt on the ability of the Group to continue as a going concern. Our opinion is not modified in respect of this matter.”*

Further details on the going concern assumption highlighted by the independent auditors of the Company are set out in the annual report of the Company for FY2023, and shareholders are advised to read the information carefully.

In addition, we note that in the annual report of the Company for FY2023, a subsidiary of the Company has not met certain financial ratio covenants as set out in the loan agreements with certain banks, but the relevant banks have granted the subsidiary waivers of having to comply with such financial ratio covenants.

### **5.3 Reasonableness of the key terms of the Overdraft Facility Renewal**

#### **5.3.1 Comparison against the Group’s existing bank facilities**

We note that the interest rate under the Overdraft Facility Renewal from Bank Sampoerna is at a fixed rate of 13.50% per annum, and no credit / provision fee chargeable, for working capital purposes.

In evaluating whether the interest rate payable by the Group in relation to the Overdraft Facility Renewal is reasonable, we have made a comparison with the interest rates currently payable by the Group under its outstanding bank loans as at the Latest Practicable, excluding the Overdraft Facility with Bank Sampoerna (the “**Bank Loans**”).

Shareholders should note that the following analysis is solely for illustrative purposes as the general market conditions at the time of grant of each of the Bank Loans would have been different from the prevailing market conditions, and the terms offered for each Bank Loan would have been dependent on various considerations and assessment by the relevant lender at the time of granting the loans. Such considerations would include, but are not limited to, the lender’s capital structure, cost of funds, supply of funds, risk management parameters, assessment of the general market conditions and interest rate environment, and the composition and quality of the borrower’s security and guarantee (if any).

**APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE NON-ABSTAINING DIRECTORS  
IN RELATION TO THE OVERDRAFT FACILITY RENEWAL**

Facility Outstanding as at the Latest Practicable Date	Facility size (IDR' billion) <sup>(1)</sup>	Average daily outstanding loan balance for FY2023 (IDR' billion)	Interest rate (p.a.)	Interest amount for FY2023 (IDR' billion)	Effective interest rate for FY2023 (p.a.) <sup>(2)</sup>	Provision fee	Collateral and guarantees
<b>USD Secured Loan</b>							
Loan 1 <sup>(3)</sup>	30.8	2.8	USD 6.00% p.a floating or IDR 10.00% p.a floating <sup>(3)</sup>	0.2	6.27%	Nil	Loans 1, 2, 6 and 9 are secured by land use rights, buildings, machinery, inventories and account receivables. No guarantees provided for the loan.
Loan 2	308.3	255.0	3.75% + 3 months CME Term SOFR <sup>(4)</sup>	22.9	8.88%	0.75% <sup>(5)</sup>	Loans 3, 4, 5, 7, 8 and 10 are secured by land use rights, buildings, machinery, inventories, account receivables and bank balances of certain subsidiaries, with guarantee undertaking from the Group.
Loan 3	154.2	150.0	5.00% - 6.00%	8.8	5.79%	0.50%	
Loan 4	231.2	227.7	5.50% - 7.75%	15.9	6.90%	0.50%	
Loan 5 <sup>(6)</sup>	231.2	162.3	6.25% - 8.00%	12.1	7.34%	0.50%	
	92.5	17.7	CTR <sup>(7)</sup> : COF <sup>(8)</sup> + 2.00% p.a	1.3	7.17%	1.00%	
		23.7	Revolving Credit Facility: COF + 2.50% p.a	1.9	8.07%		
Loan 6	77.1	76.2	6.36% - 8.31%	6.1	7.84%	Nil	
Loan 7	308.3	50.0	3.00% + 1 month CME Term SOFR	4.2	8.24%	0.75%	
	30.8	30.3	3.00% + 1 month CME Term SOFR	2.5	8.27%	1.00%	
	30.8	28.6	3.00% + 1 month CME Term SOFR	2.4	8.25%	1.00%	
	1,140.8	615.5	2.75% + SOFR 3 Month	50.5	8.10%	Nil	
<b>IDR Secured Loan</b>							
	154.2	23.7	2.25% + SOFR 1 Month	1.8	7.60%	0.25%	

Facility Outstanding as at the Latest Practicable Date	Facility size (IDR' billion) <sup>(1)</sup>	Average daily outstanding loan balance for FY2023 (IDR' billion)	Interest rate (p.a.)	Interest amount for FY2023 (IDR' billion)	Effective interest rate for FY2023 (p.a.) <sup>(2)</sup>	Provision fee	Collateral and guarantees
Loan 8	150.0	72.9	2.60% + 1 month JIBOR <sup>(6)</sup>	6.7	9.03%	2.00% <sup>(5)</sup>	
	140.0	137.2	2.35% + 1 month JIBOR	12.2	8.79%	0.75%	
	58.0	56.7	2.35% + 1 month JIBOR	5.1	8.79%	0.75%	
	144.6	144.6	2.35% + 1 month JIBOR	12.9	8.79%	1.00%	
	50.0	49.9	2.35% + 1 month JIBOR	4.5	8.79%	1.00%	
Loan 9 <sup>(3)</sup>	30.8	15.6	USD 6.00% p.a floating or IDR 10.00% p.a floating <sup>(3)</sup>	1.6	10.20%	Nil	
Loan 10 <sup>(6)</sup>	92.5	36.5	CTR: COF + 2.00% p.a	3.2	8.70%	1.00%	
		9.5	Revolving Credit Facility: COF + 2.50% p.a	0.9	9.25%	1.00%	
<b>IDR Unsecured Loan</b>							
Loan 11	200.0	199.6	11.00%-12.00%	23.7	11.70%	1.00%	Guarantee undertaking from the Group.

**All Bank Loans**

High  
Weighted mean<sup>(10)</sup>  
Low

11.70%  
8.33%  
5.79%

**IDR-denominated Bank Loans**

High  
Weighted mean<sup>(10)</sup>  
Low

11.70%  
9.65%  
8.70%

Existing Overdraft Facility (unsecured)	60.0	59.1	13.50%	8.1	13.50%	Nil	Nil
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Facility Outstanding as at the Latest Practicable Date	Facility size (IDR' billion) <sup>(1)</sup>	Average daily outstanding loan balance for FY2023 (IDR' billion)	Interest rate (p.a.)	Interest amount for FY2023 (IDR' billion)	Effective interest rate for FY2023 (p.a.) <sup>(2)</sup>	Provision fee	Collateral and guarantees
Overdraft Facility Renewal (unsecured)	60.0	-	13.50%	-	13.50%	Nil	Nil

Source: Provided by the Company

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## APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE NON-ABSTAINING DIRECTORS IN RELATION TO THE OVERDRAFT FACILITY RENEWAL

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**Notes:**

- (1) Converted to Indonesian Rupiah based on the exchange rate of US\$1: IDR 15,416 as at 31 December 2023.
- (2) The effective interest rate was computed by dividing the interest expense for the full year ended 31 December 2023 by the average daily outstanding balance of each loan (as provided by the Company, over a period of 365 days from 1 January 2023 to 31 December 2023 inclusive), adjusted to follow the 360-day convention.
- (3) Loan 1 and Loan 9 are part of a single loan facility (amounting to approximately IDR 30.8 billion) whereby the loan facility can be withdrawn either in USD or IDR and is priced at a floating rate based on the bank lending rate.
- (4) Refers to Secured Overnight Financing Rate published by the Chicago Mercantile Exchange in tenors of three months.
- (5) The provision fee charged was only one-time upfront on each of these term loans upon the initial entry of the loan agreement.
- (6) Loan 5 and Loan 10 are part of a single loan facility (amounting to approximately IDR 92.5 billion) whereby the loan facility can be withdrawn either in USD or IDR.
- (7) Refers to clean trust receipt for the bank.
- (8) Refers to cost of funds for the bank.
- (9) Refers to Jakarta Interbank Offered Rate.
- (10) Weighted based on the respective average outstanding balances of the Bank Loans.

We note that the interest rate payable under the Overdraft Facility Renewal of 13.50% is:

- (a) above the range of the effective interest rates of between 5.79% and 11.70% of the Bank Loans for FY2023; and
- (b) higher than the weighted mean interest rate of the Bank Loans of 8.33% for FY2023.

When comparing with the Indonesian Rupiah denominated Bank Loans (the “**IDR Bank Loans**”), we note that the interest rate payable under the Overdraft Facility Renewal of 13.50% is:

- (a) above the range of the effective interest rates of between 8.70% and 11.70% of the IDR Bank Loans for FY2023; and
- (b) higher than the weighted mean interest rate of 9.65% of the IDR Bank Loans for FY2023.

Based on the above, we note that the loan facilities that are provided in Indonesian Rupiah generally carry higher interest rates than USD-denominated facilities. We note that each of the Bank Loans (save for Loan 11) had required some form of collateral from the Group. By comparison, the Overdraft Facility Renewal had not required any form of collateral from the Group and is accordingly, unsecured. We understand from the Company that it is generally accepted that secured lending (by way of collateral) usually carries lower interest rate than unsecured lending in Indonesia as a lender's risk will usually be significantly reduced by having priority in charges or legal claims over valuable assets/collaterals in the event of default and/or repayment orders.

We further note that the interest rate payable under the Overdraft Facility Renewal of 13.50% is higher than the effective interest rate of 11.70% for Loan 11 in FY2023. We also note that there was a 1.00% provision fee charged on Loan 11, while Bank

Sampoerna has continued to waive the provision fee chargeable for the Overdraft Facility Renewal, which is consistent with 2023 Overdraft Facility. In addition, while Loan 11 have been provided to the Group on an unsecured basis (i.e. no collateral required), a guarantee was required and provided by the Group in respect of Loan 11. By comparison, the Overdraft Facility Renewal had not required any form of collateral or guarantee from the Group. Generally, it is accepted that a lender's risk would be expected to be reduced by having recourse over the assets of the guarantor in the event of the borrower's default, thus it may allow the guaranteed borrower to obtain a more favorable interest rate in this respect. Lastly, as set out in section 3.3 of the Circular, we noted that the Group has approached the seven (7) of the Group's existing banks (including the bank of Loan 11) and all of them (including the bank of Loan 11) have declined the Group's request for the provision of additional overdraft facility.

### 5.3.2 Provision fee

Based on the comparison table set out in paragraph 5.3.1 of this letter above, we noted that most of the banks charge a provision fee of between 0.25% to 1.0% on the existing bank loans they provide to the Group. In comparison, Bank Sampoerna has continued to waive the provision fee chargeable for the Overdraft Facility Renewal, which is consistent with 2023 Overdraft Facility.

### 5.3.3 Comparison against the Group's existing bonds

We have also made a comparison with the interest rates currently payable by the Group under its outstanding bonds as at the Latest Practicable.

Bonds Outstanding as at the Latest Practicable Date	Facility size (IDR' billion) <sup>(1)</sup>	Outstanding balance utilised (IDR' billion) <sup>(1)</sup>	Interest rate (p.a.)	Collateral and guarantees
<b>USD Secured Bonds</b>				
Bond 1 <sup>(2)</sup>	92.5	92.5	11.0%	Bonds 1 and 2 secured by land use rights and buildings
<b>IDR Secured Bonds</b>				
Bond 1 <sup>(2)</sup>	30.0	30.0	16.5%	
Bond 2	15.0	15.0	16.5%	
Overdraft Facility Renewal (unsecured)	60.0	-	13.50%	Nil

Source: Provided by the Company

#### Notes:

- (1) Converted to Indonesian Rupiah based on the exchange rate of US\$1: IDR 15,416 as at 31 December 2023.
- (2) The issuers of Bond 1 are two (2) separate subsidiaries of the Group and are denominated in both USD and IDR.

We note that the interest rate payable under the Overdraft Facility Renewal of 13.50% is:

- (a) higher than the interest rate of the USD Secured Bonds of 11.0%; but
- (b) lower than the interest rate of the IDR Secured Bonds of 16.5%.

Based on the above, we noted that the IDR Secured Bonds that are issued in Indonesian Rupiah carried higher interest rates than the Overdraft Facility Renewal, notwithstanding that the IDR Secured Bonds were on a secured basis. By comparison,

the Overdraft Facility Renewal had not required any form of collateral from the Group and is accordingly, unsecured.

#### **5.3.4 Comparison with Bank Sampoerna's prime lending rate or SBDK**

Commercial banks that conduct conventional business activities in Indonesia are required to report and publish their prime lending rates or SBDK for IDR-denominated loans. Such prime lending rates do not include the risk premium component which depends on the bank's assessment of the individual customer or customer group. We note that SBDK is bank-specific; it is the result of the calculation of the three components, namely: (1) cost of funds for loans, (2) overhead costs incurred in the lending process, and (3) profit margin targeted for lending activities.

Based on Bank Sampoerna's published prime lending rate for corporation from January 2023 to December 2023, the published prime lending rate maintained at 10.0%. As at 31 March 2024, Bank Sampoerna's published prime lending rate for corporation was 10.0%. Therefore, it appears that the risk premium ascribed by Bank Sampoerna to the Group under the Overdraft Facility Renewal of 13.5% was approximately 3.5%.

We have enquired with Management on the above, and while Management explained that the credit assessment and approval has been performed by Bank Sampoerna internally, the terms and conditions of the Overdraft Facility Renewal, including the interest rate, were commercially negotiated between the Group and Bank Sampoerna, taking into account the prevailing interest rates, the financial condition of the Group, as well as the availability of overdraft facilities to the Group from other banks in Indonesia. This has also considered that no security is required to be provided in relation to the Overdraft Facility Renewal, and that Bank Sampoerna has continued to waived the provision fee chargeable for the Overdraft Facility Renewal.

Independent Directors should note and assess the above comparison in the context of the Group's financial performance (which we noted continued to be in a loss making position for FY2022 and FY2023) and financial position (which we noted was in a negative net working capital position as at 31 December 2022 and 2023). As such, the comparison above is necessarily limited and serves as an illustrative purpose only.

#### **5.4 Other Relevant Considerations**

##### **5.4.1 No alternative source of funding**

As stated in section 3.3 of the Circular, the Group had approached ten (10) other banks in Indonesia, during the first three (3) months of 2024, to provide quotes for an IDR 60,000,000,000 working capital overdraft facility on the same terms as Bank Sampoerna in not requiring the Group to provide security. Out of these ten (10) banks, seven (7) of them are the Group's existing banks and all of them declined the Group's request for the provision of additional overdraft facility. The three (3) new banks that the Group approached were banks of at least Buku 2 tier in Indonesia, similar to the seven (7) existing banks. Out of the three (3) new banks that the Group has approached, one (1) of them declined the Group's request for a facility on the same terms and conditions as that provided by Bank Sampoerna which does not require the Group to provide security, while the remaining two (2) banks did not respond to the Group's request for quotes and the Group had difficulties following up as the Group did not have any pre-existing relations with, or contacts at, such banks.

Notwithstanding the renewal of the Overdraft Facility, the Company will continue to seek other alternative financing arrangements. In the event that other banks offer overdraft facilities to the Group, such offer will be brought to the attention of the Audit Committee for review and approval. If the Audit Committee deems such facilities to be



on better terms, the Company will enter into and utilise such facilities before utilising the renewed Overdraft Facility.

As at the Latest Practicable Date, the Directors have confirmed that they were not aware of any alternative offers for funding from other banks or financial institutions which were comparable in nature, size, interest rates and scope to the Overdraft Facility Renewal.

The Directors have also confirmed that as at the Latest Practicable Date, they are not aware of any alternative offers of capital injections in the Company from other parties.

#### **5.4.2 Guidelines and review procedures for Interested Person Transactions**

We note that the Audit Committee of the Company will conduct a semi-annual review of the Overdraft Facility Renewal to ensure that the interest payments made are in accordance with the terms of the Overdraft Facility Renewal, and shall also review any future variation or amendment to the terms of the Overdraft Facility Renewal, and where appropriate, subject such variation or amendment to Shareholders' approval prior to any further drawdown on the Overdraft Facility.

As set out in section 3.3 of the Circular, in the event that other banks offer overdraft facilities to the Group, such offer will be brought to the attention of the Audit Committee for review and approval. If the Audit Committee deems such facilities to be on better terms, the Company will enter into and utilise such facilities before utilising the renewed Overdraft Facility.

#### **5.4.3 Recent corporate exercise by the Group**

We note that the Company had on 5 September 2023 announced the proposed renounceable non-underwritten rights issue of up to 7,224,513,285 new ordinary shares in the capital of the shares of the Company at an issue price of S\$0.003 for each rights share, on the basis of three (3) rights share for every one (1) existing ordinary share (the "**2023 Rights Issue**"). Based on the Company's announcement on 2 January 2024, the Company has raised net proceeds of approximately S\$18.5 million from the 2023 Rights Issue where such net proceeds are intended to be utilised for the Group's general working capital purposes.

As at the Latest Practicable Date, the Company confirmed that the net proceeds from the 2023 Rights Issue have been fully utilised. The Directors have confirmed that notwithstanding the full utilisation of the net proceeds from the recent 2023 Rights Issue, they are of the view that the Overdraft Facility Renewal is required for its working capital purposes as set out in section 3.3 of the Circular.

#### **5.4.4 Abstention from voting at the EGM**

We note that as set out in section 7 of the Circular, Mr Michael Joseph Sampoerna, despite not being a Shareholder, and is therefore unable to vote in respect of Shareholders' resolution tabled at the EGM, has undertaken to procure that all of his Associates, including Sampoerna Forestry Limited, abstain from voting at the EGM on the ordinary resolution in respect of the Overdraft Facility Renewal and will not accept appointments as proxies unless the minority Shareholders appointing him as proxy give specific instructions in the relevant proxy form(s) on the manner in which they wish their votes to be cast for the ordinary resolution in respect of the Overdraft Facility Renewal.

Mr Eka Dharmajanto Kasih is not a Shareholder, and is therefore unable to vote in respect of Shareholders' resolution tabled at the EGM. Notwithstanding that Bank Sampoerna is an interested person by virtue of Mr Michael Joseph Sampoerna's

shareholding in PT Sampoerna Investama and not Mr Eka Dharmajanto Kasih's shareholding in Bank Sampoerna and PT Sampoerna Investama, Mr Eka Dharmajanto Kasih has nevertheless voluntarily undertaken to procure that all of his Associates abstain from voting at the EGM on the ordinary resolution in respect of the Overdraft Facility Renewal and will not accept appointments as proxies unless the minority Shareholders appointing him as proxy give specific instructions in the relevant proxy form on the manner in which they wish their votes to be cast for the ordinary resolution in respect of the Overdraft Facility Renewal.

## 6. OUR OPINION

In arriving at our opinion in respect of the Overdraft Facility Renewal, we have taken into account the following key considerations:

- (a) the rationale for and benefit of the Overdraft Facility Renewal, as detailed in paragraph 5.1 of this letter;
- (b) the historical financial performance and position of the Group, as detailed in paragraph 5.2 of this letter;
- (c) the reasonableness of the key terms of the Overdraft Facility Renewal, as detailed in paragraph 5.3 of this letter; and
- (d) other relevant considerations, as detailed in paragraph 5.4 of this letter.

Having considered the above and subject to the assumptions and qualifications set out in this letter, we are of the opinion that, on balance, the Overdraft Facility Renewal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, we advise the Non-Abstaining Directors in respect of the Overdraft Facility Renewal to recommend the Shareholders to vote in favour of the Overdraft Facility Renewal.

Our opinions has been prepared pursuant to Rule 921(4)(a) of the Listing Manual, as well as addressed to the Non-Abstaining Directors in connection with and for the purposes of their consideration of the Overdraft Facility Renewal. The recommendation(s) to be made by the Non-Abstaining Directors to the Shareholders shall remain the sole responsibility of the Non-Abstaining Directors.

Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of SAC Capital Private Limited in each specific case, except for the forthcoming EGM and for the purposes of the Overdraft Facility Renewal.

Our opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully  
For and on behalf of  
**SAC CAPITAL PRIVATE LIMITED**

Tan Kian Tiong  
Head of Corporate Finance

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### SAMKO TIMBER LIMITED

(Company Registration Number 200517815M)  
(Incorporated in the Republic of Singapore)

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“**EGM**”) of the members of Samko Timber Limited (the “**Company**”) will be held on Saturday, 27 April 2024, at 10.00 am at Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558, for the purpose of considering and, if thought fit, passing with or without amendment, the ordinary resolution as set out below.

*All capitalised terms used in this Notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 12 April 2024 (the “**Circular**”) in relation to the Overdraft Facility Renewal.*

#### **ORDINARY RESOLUTION – THE OVERDRAFT FACILITY RENEWAL AS AN INTERESTED PERSON TRANSACTION**

That:

- (a) approval be and is hereby given for the Company to undertake the Overdraft Facility Renewal in accordance with the terms therein, and the transactions contemplated thereunder which constitute an interested person transaction; and
- (b) all the Directors of the Company and each of them be authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as they/he may consider necessary, desirable, expedient or in the interests of the Company to give effect to this resolution.

#### **BY ORDER OF THE BOARD**

Riko Setyabudhy Handoko  
Executive Director and Chief Executive Officer

Singapore, 12 April 2024

#### **Notes:**

- (1) The members of the Company are invited to attend the EGM physically in person. There will be no option for members to participate the EGM by electronic means. Printed copies of the Circular (including this Notice of EGM and the accompanying Proxy Form) will also be sent to members and has been made available on the SGXNET and on the Company’s corporate website at <https://www.sampoernakayoe.co.id>.
- (2) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such member’s instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
- (3) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member’s instrument appointing a proxy(ies) appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.  
  
“**Relevant intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
- (4) A member can appoint the Chairman of the meeting as his/her/its proxy but this is not mandatory. A proxy need not be a member of the Company.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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(5) The instrument appointing a proxy(ies) and/or representative(s) must be submitted to the Company in the following manner:

(a) if submitted by post, be deposited with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd ("BCAS"), at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632; or

(b) if submitted electronically, be sent via email to the Company's Share Registrar, BCAS, at [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com).

in either case, must be lodged or received (as the case may be), by 10.00 am on 25 April 2024, being forty-eight (48) hours before the time appointed for holding the EGM.

Notwithstanding the above, the Chairman of the EGM shall have the right to waive the time requirement provided above with respect to all instruments of proxies and to accept any and all instruments of proxy until the beginning of the EGM.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. The instrument appointing a proxy must be signed by the member or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the member, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

**Members are strongly encouraged to submit completed proxy forms electronically via email.**

(6) Members may raise questions at the EGM or submit questions related to the resolution to be tabled for approval at the EGM, in advance of the EGM. Members who would like to submit questions in advance of the EGM may do so in the following manner:

(a) if submitted by post, be deposited with the Company's Share Registrar, BCAS, at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632; or

(b) if submitted electronically, be sent via email to the Company's Share Registrar, BCAS, at [srs.teamE@boardroomlimited.com](mailto:srs.teamE@boardroomlimited.com).

in either case, by 10.00 am on 20 April 2024 (the "Questions Submission Cut-Off Date").

**Members are strongly encouraged to submit questions electronically via email.** Members submitting questions are requested to state: (i) their full name; (ii) their identification/registration number; (iii) contact telephone number; (iv) email address; and (v) the manner in which they hold shares (if you hold shares directly, please provide your CDP account number, otherwise, please state if you hold your shares through CPFIS or SRS, or are a relevant intermediary shareholder), failing which, the Company shall be entitled to regard the submission as invalid.

The Company will endeavour to address all substantial and relevant questions submitted by members prior to or during the EGM. The responses to substantial and relevant questions raised by members on or before the Questions Submission Cut-Off Date will be published on SGXNet and the Company's corporate website at the URL <https://www.sampoernakayoe.co.id> before 23 April 2024. Substantial and relevant questions which are submitted after the Questions Submission Cut-Off Date will be consolidated and addressed either before the EGM via an announcement on SGXNet and the Company's corporate website at the URL <https://www.sampoernakayoe.co.id> or at the EGM. Where there are substantially similar questions, the Company will consolidate such questions and consequently not all questions may be individually addressed.

(7) Investors holding shares through relevant intermediaries (other than CPF/SRS investors) who wish to attend the EGM, or to appoint proxy(ies) to vote at the EGM should not make use of the Proxy Form and should instead approach their respective relevant intermediaries as soon as possible for the proxy(ies) appointment.

CPF/SRS investors who wish to vote at the EGM may attend the EGM in person physically, or may appoint the Chairman of the meeting or such other person as their proxy to vote. The CPF/SRS investors who wish to appoint the Chairman of the meeting or such other person as their proxy should not make use of the Proxy Form. They should approach their respective CPF agent banks and/or SRS operators to submit their votes at least seven (7) working days before the EGM (by 10.00 am on 17 April 2024), in order to allow sufficient time for the respective relevant intermediaries to in turn submit a proxy form for voting on their behalf. CPF/SRS investors are requested to contact their respective CPF agent banks and/or SRS operators for any queries they may have with regard to the appointment of proxies for the EGM.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company: (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# Samko Timber Limited

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200517815M)

## EXTRAORDINARY GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this form)

### IMPORTANT:

1. A relevant intermediary may appoint more than two (2) proxies to attend the Extraordinary General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who hold shares under Central Provident Fund Investment Scheme ("CPF Investors") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS Investors should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy or proxies and/or representative or representatives, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 12 April 2024.

I/We\* \_\_\_\_\_ (NRIC/ Passport/ Company Registration No.\* \_\_\_\_\_

of \_\_\_\_\_ (address)

being a member / members\* of **Samko Timber Limited** (the "Company"), hereby appoint:

Name:	NRIC/Passport No.:	Proportion of Shareholdings	
		Number of Shares	%
Address:			

and/or\*

Name:	NRIC/Passport No.:	Proportion of Shareholdings	
		Number of Shares	%
Address:			

or failing him/her/them\*, the Chairman of the Extraordinary General Meeting (the "EGM") of the Company as my/our\* proxy/proxies\* to attend and to vote for me/us\* behalf at the EGM to be held on Saturday, 27 April 2024, at 10.00 am at Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 and at any adjournment thereof.

**Note:** Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolution as set out in the Notice of EGM. Alternatively, please indicate the number of votes as appropriate. In the absence of specific directions, the proxy/proxies may vote or abstain as he/she/they may think fit, as he/she/they will on any other matter arising at the EGM.

Ordinary Resolution	No. of votes for	No. of votes against
To approve the Overdraft Facility Renewal		

\* Delete where applicable

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

\_\_\_\_\_  
Signature(s) of Member(s) or Common Seal  
of Corporate Shareholder

Total number of Shares held in:	No. of Shares
CDP Register	
Register of Members	

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

**Notes:**

- (1) Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
- (2) A member of the Company (who is not a relevant intermediary) entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
- (3) Where a member (who is not a relevant intermediary) appoints two (2) proxies, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no such proportion is specified, the appointment shall be invalid.
- (4) A member who is a relevant intermediary entitled to attend the EGM and vote is entitled to appoint more than two (2) proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member (which number and class of Shares shall be specified). When such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

**"Relevant intermediary"** means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- (5) The instrument appointing a proxy(ies) and/or representative(s) must be submitted to the Company in the following manner:
- (a) if submitted by post, be deposited with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd ("**BCAS**"), at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) if submitted electronically, be sent via email to the Company's Share Registrar, BCAS, at [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com).

in either case, must be lodged or received (as the case may be), by 10.00 am on 25 April 2024, being forty-eight (48) hours before the time appointed for holding the EGM.

A Member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**Members are strongly encouraged to submit completed proxy forms electronically via email.**

- (6) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy; failing which, the instrument may be treated as invalid.
- (7) A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.
- (8) The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

- (9) In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the EGM, as certified by CDP to the Company.
- (10) Terms not defined herein have the meanings ascribed to them in the circular to the shareholders of the Company dated 12 April 2024.
- (11) The submission of an instrument or form appointing a proxy or proxies by a member of the Company does not preclude him/her from attending and voting in person at the EGM if he/she wishes to do so.
- (12) A Depositor's name must appear on the Depository Register maintained by CDP not less than seventy-two (72) hours before the time appointed for holding the EGM in order for him/her to be entitled to attend and vote at the EGM.
- (13) **PERSONAL DATA PRIVACY:** Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak, and vote at the EGM and/or any adjournment thereof, a member of the Company:
- (a) consents to the collection, use, and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes, and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations, and/or guidelines (collectively, the "**Purposes**");
  - (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use, and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
  - (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.