

## **SAMKO TIMBER LIMITED**

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

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### **OFFICE LEASE BY PT MANGOLE TIMBER PRODUCERS, A SUBSIDIARY OF SAMKO TIMBER LIMITED, ENTERED INTO WITH PT SAMPOERNA LAND AS AN INTERESTED PERSON TRANSACTION PURSUANT TO CHAPTER 9 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

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#### **1. INTRODUCTION**

1.1. The board of directors (the “**Board**” or “**Directors**”) of Samko Timber Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that PT Mangole Timber Producers (“**MTP**”), had on 13 November 2019 entered into a Lease Agreement (the “**Lease Agreement**”) with PT Sampoerna Land (“**SL**”) for the lease of its office space located at 20<sup>th</sup> floor, North Tower, Sampoerna Strategic Square, Jl. Jenderal Sudirman Kav. 45-46 South Jakarta 12930 (the “**Premises**”), covering an area of 230.45 sqm (semi-gross), for the lease period commencing of 1 December 2019 until 31 December 2020, the details of which are stated in Section 0 below. Further on 12 March 2020, the Company, through one of its subsidiaries, ie. PT Sempurna Graha Abadi (“**SGA**”), has effectively acquired 51% shares ownership in PT Sumber Graha Maluku (“**SGM**”), a holding company which eventually holds 100% shares in MTP. Therefore since 12 March 2020, MTP become a subsidiary of the Company.

1.2. On the basis of:

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

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

#### **2. DETAILS OF THE INTERESTED PERSON**

Mr Michael Joseph Sampoerna, a Director of the Company, together with his immediate family, holds more than 30% of the shareholding interests (direct and indirect) in SL, a company incorporated in Indonesia. Accordingly, SL is considered to be an associate of Mr Michael Joseph Sampoerna, and is therefore an “**interested person**” within the meaning of Chapter 9 of the Listing Manual.

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

The Premises being leased from SL under the Lease Agreement comprise an aggregate area of 230,45 semi-gross square metres on the 20<sup>th</sup> floor of the North Tower of Sampoerna Strategic Square, Jl Jenderal Sudirman Kav 45-46 South Jakarta 12930, Indonesia (the “**Sampoerna Building**”) (the “**North Tower Premises**”). The monthly rental will be IDR 207,000 / semi-gross square metre (approximately S\$20.32 / semi-gross square metre based

on the Illustrative Exchange Rate<sup>1</sup>), exclusive of a monthly service charge of IDR 95,000 / semi-gross square metre (approximately S\$9.33 / semi-gross square metre based on the Illustrative Exchange Rate) during 1 December 2019 – 31 December 2019 and IDR 99,000 / semi-gross square metre (approximately S\$9.72 / semi-gross square metre based on the Illustrative Exchange Rate) during 1 January 2020 – 31 December 2020.

- 3.1. The Lease Agreement will be for a term of 1 year and 1 month commencing on 1 December 2019 and expiring on 31 December 2020 (the “**Term**”). The rental and service charge is payable quarterly in advance, and excludes 10% value added tax.
- 3.2. Based on:
  - (a) a comparison of quotes for office space from several vendors conducted by the Company; and
  - (b) a rental valuation carried out by an independent valuer, KJPP Abdullah Fitriantoro & Rekan (the “**Independent Valuer**”), which valuation was contained in a report dated 3 December 2019 (the “**Independent Valuation Report**”),

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

#### **4. RATIONALE FOR AND BENEFIT OF THE IPT TO SGS**

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

#### **5. RULE 916 OF THE LISTING MANUAL**

- 5.1. Rule 905 of the Listing Manual provides, *inter alia*, that an issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than, (a) 3% of the group’s latest audited net tangible assets (“**NTA**”), or (b) 3% or more of the group’s latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year and all future transactions entered into with that same interested person during the same financial year.

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<sup>1</sup> For the purposes of this announcement, the “**Illustrative Exchange Rate**” refers to the approximate exchange rate of S\$1.00 : IDR 10,187 as at 28 February 2020. The Illustrative Exchange Rate is solely for illustrative purposes and should not be construed as a representation that the relevant amounts have been or could be converted at this rate or at any other rate.

- 5.2. Rule 906 of the Listing Manual provides, *inter alia*, that an issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than (a) 5% of the group's latest audited NTA, or (b) 5% of the group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year. Notwithstanding, Rule 916(1) of the Listing Manual provides that the entering into, or renewal of a lease or tenancy of real property of not more than 3 years if the terms are supported by independent valuation will not be required to comply with Rule 906 of the Listing Manual.
- 5.3. The rental and service charge (excluding miscellaneous charges<sup>2</sup>) based on group effective interest is IDR 346,878,841 (approximately S\$34,051.13 based on the Illustrative Exchange Rate). The aggregate value off all transactions entered into with the same interest person during the same fiscal year was approximately IDR 6,230 million (approximately S\$611,563.76 based on the illustrative Exchange Rate) representing approximately 3.1% of the Group's latest audited NTA<sup>3</sup>. Accordingly, this announcement is made pursuant to Rule 905 of the Listing Manual.
- 5.4. Notwithstanding that the value of the IPT does not exceed 5% of the Group's latest audited NTA, the Company, in furtherance of Rule 916(1) of the Listing Manual which provides that the entering into, or renewal of a lease or tenancy of real property of not more than 3 years if the terms are supported by independent valuation will not be required to comply with Rule 906 of the Listing Manual, has entered into the Lease Agreement on the basis that :
- (a) the Term of the Lease Agreement is not more than 3 years; and
  - (b) the terms of the Lease Agreement is supported by the Independent Valuation Report, which reflects the Independent Valuer's opinion that the aggregate rental in relation to the Premises is fair,

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

**6. CURRENT TOTAL FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020 ("FY2020") OF ALL TRANSACTIONS WITH SL AND CURRENT TOTAL OF ALL INTERESTED PERSON TRANSACTIONS FOR FY2020**

- 6.1. The total value of all the interested person transactions the Group has entered into with SL for FY2020 as at the date of this announcement, including the lease pursuant to the Lease Agreement which is the subject of this announcement, is estimated to be as follows:

S/N	Description of interested person transaction with SL	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial period under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		IDR ('000,000)	IDR ('000,000)
1.	Fifth Amendment Lease Agreement for the lease of the Premises by PT Sumber Graha	5,883	-

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

<sup>3</sup> The latest audited NTA as at 31 December 2018 was approximately IDR 202,418 million (approximately S\$19,870,226.76 based on the Illustrative Exchange Rate).

	Sejahtera (“SGS”), an subsidiary of the Group		
2.	Lease Agreement for the lease of the Premises based on group effective interest	347	-
<b>Total</b>		<b>6,230</b>	<b>-</b>

6.2. The total value of all interested persons transactions for FY2020 as at the date of this announcement is estimated to be as follows:

S/N	Description of interested person transaction with interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial period under review under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		IDR (‘000,000)	IDR (‘000,000)
1.	SL – Fifth Amendment Lease Agreement for the lease of the Premises, entered by SGS	1,514	-
2.	Lease Agreement for the lease of the Premises based on group effective interest	23 <sup>4</sup>	-
3.	PT Bank Sahabat Sampoerna – Finance expense	1,969	-
<b>Total</b>		<b>3,506</b>	<b>-</b>

## 7. DOCUMENTS AVAILABLE FOR INSPECTION

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

### BY ORDER OF THE BOARD

Riko Setyabudhy Handoko  
Executive Director and Chief Executive Officer  
26 March 2020

<sup>4</sup> Based on estimated rental and service charge from 12 March 2020 until 31 March 2020 pursuant to the Lease Agreement.