

SAMKO TIMBER LIMITED

Condensed interim financial statements
For the three months and nine months ended 30 September
2024

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

Table of Contents

| | Page |
|--|-------------|
| A. Condensed interim consolidated statement of profit or loss and other comprehensive income | 1 |
| B. Condensed interim statement of financial position | 2 – 3 |
| C. Condensed interim statements of changes in equity | 4 – 5 |
| D. Condensed interim consolidated statement of cash flows | 6 – 7 |
| E. Notes to the condensed interim consolidated financial statements | 8 – 21 |
| F. Other information required by Listing Rule Appendix 7.2 | 22 – 26 |
| G. Confirmation by the Board | 27 |

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

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

| | Note | Group | | | Group | | |
|---|------|------------------|------------------|-------------|------------------|------------------|------------|
| | | 3 months ended | | Change | 9 months ended | | Change |
| | | 30 Sept 2024 | 30 Sept 2023 | | 30 Sept 2024 | 30 Sept 2023 | |
| | | Rp'million | Rp'million | % | Rp'million | Rp'million | % |
| Revenue | 4 | 603,917 | 507,106 | 19 | 1,612,818 | 1,810,185 | (11) |
| Cost of sales | | (669,106) | (495,767) | 35 | (1,757,093) | (1,743,014) | 1 |
| Gross (loss) profit | | (65,189) | 11,339 | n.m | (144,275) | 67,171 | n.m |
| Other income (expenses) | | 148,604 | (87,535) | n.m | 269 | (30,016) | n.m |
| Selling expenses | | (35,045) | (55,165) | (36) | (99,509) | (143,313) | (31) |
| General and administrative expenses | | (78,575) | (65,313) | 20 | (238,373) | (225,822) | 6 |
| Finance expenses | | (70,368) | (51,806) | 36 | (198,103) | (141,701) | 40 |
| Loss before taxation | | (100,573) | (248,480) | (60) | (679,991) | (473,681) | 44 |
| Taxation | 7 | (840) | 2,575 | n.m | (20,053) | (4,325) | 364 |
| Net loss for the period | | (101,413) | (245,905) | (59) | (700,044) | (478,006) | 46 |
| Other comprehensive income: | | | | | | | |
| Items that will not be reclassified to profit or loss: | | | | | | | |
| Net actuarial (loss) gain on post-employment benefits | | (16,166) | (214) | 7,454 | (37,049) | 653 | n.m |
| Items that may be reclassified subsequently to profit or loss: | | | | | | | |
| Foreign currency translation gain (loss) | | 27,787 | (11,681) | n.m | 3,003 | 5,460 | (45) |
| Total comprehensive income for the period | | (89,792) | (257,800) | (65) | (734,090) | (471,893) | 56 |
| Net (loss) profit attributable to: | | | | | | | |
| Owners of the Company | | (137,235) | (230,472) | (40) | (687,069) | (478,211) | 44 |
| Non-controlling interests | | 35,822 | (15,433) | n.m | (12,975) | 205 | n.m |
| | | (101,413) | (245,905) | (59) | (700,044) | (478,006) | 46 |
| Total comprehensive income attributable to: | | | | | | | |
| Owners of the Company | | (125,621) | (242,349) | (48) | (721,139) | (472,051) | 53 |
| Non-controlling interests | | 35,829 | (15,451) | n.m | (12,951) | 158 | n.m |
| | | (89,792) | (257,800) | (65) | (734,090) | (471,893) | 56 |
| Loss per share attributable to owners of the Company | | | | | | | |
| Basic | 14 | (16) | (96) | | (80) | (199) | |
| Diluted | 14 | (16) | (96) | | (80) | (199) | |

n.m : not meaningful

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

B. Condensed interim statement of financial position

| | Note | Group | | Company | |
|--------------------------------------|------|--------------------|------------------|---------------|------------------|
| | | 30 Sept 2024 | 31 Dec 2023 | 30 Sept 2024 | 31 Dec 2023 |
| | | Rp'million | Rp'million | Rp'million | Rp'million |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 55,248 | 30,372 | 83 | 215 |
| Trade and other receivables | 5 | 279,392 | 209,933 | 2,357 | 5,900 |
| Inventories | | 922,927 | 912,241 | - | - |
| Advances to suppliers | | 324,096 | 204,155 | 119 | 227 |
| Prepaid operating expenses | | 103,474 | 78,609 | 3,571 | 491 |
| Other current assets | | - | 45,317 | - | - |
| Assets classified as held for sale | 11 | 30,835 | - | - | - |
| Total current assets | | 1,715,972 | 1,480,627 | 6,130 | 6,833 |
| Non-current assets | | | | | |
| Deferred tax assets | | 79,431 | 94,435 | - | - |
| Investment in subsidiary companies | | - | - | 59,970 | 1,012,091 |
| Land use rights | | 57,290 | 63,383 | - | - |
| Property, plant and equipment | | 2,315,269 | 1,920,479 | 1 | 1 |
| Right-of-use assets | | 49,118 | 26,514 | - | - |
| Biological assets | | 641,430 | 641,227 | - | - |
| Other non-current assets | | 15,536 | 31,450 | 112 | 114 |
| Total non-current assets | | 3,158,074 | 2,777,488 | 60,083 | 1,012,206 |
| Total assets | | 4,874,046 | 4,258,115 | 66,213 | 1,019,039 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 5 | 1,110,433 | 994,038 | 6,019 | 191,422 |
| Other liabilities | | 243,767 | 126,143 | 917 | 2,633 |
| Advances from customers | | 93,920 | 52,139 | 28 | 29 |
| Provision for taxation | | 5,583 | 4,834 | - | - |
| Loans and borrowings | 12 | 2,151,120 | 1,895,165 | - | - |
| Lease liabilities | | 12,824 | 13,027 | - | - |
| Total current liabilities | | 3,617,647 | 3,085,346 | 6,964 | 194,084 |
| Non-current liabilities | | | | | |
| Deferred tax liabilities | | 96,734 | 98,494 | - | - |
| Post-employment benefits | | 294,393 | 239,517 | - | - |
| Loans and borrowings | 12 | 1,089,890 | 1,176,693 | - | - |
| Lease liabilities | | 14,973 | 8,734 | - | - |
| Advance from customers | | 306,812 | 260,393 | - | - |
| Other liabilities | 5 | 579,013 | - | 1,983 | 284,812 |
| Total non-current liabilities | | 2,381,815 | 1,783,831 | 1,983 | 284,812 |
| Total liabilities | | 5,999,462 | 4,869,177 | 8,947 | 478,896 |
| Net (liabilities) assets | | (1,125,416) | (611,062) | 57,266 | 540,143 |

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

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

| | Group | | Company | |
|---|---------------------|--------------------|---------------------|--------------------|
| | 30 Sept 2024 | 31 Dec 2023 | 30 Sept 2024 | 31 Dec 2023 |
| | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> |
| EQUITY | | | | |
| Equity attributable to owners of the Company | | | | |
| Share capital | 13 765,449 | 545,713 | 765,449 | 545,713 |
| Accumulated losses | (2,562,748) | (1,838,606) | (688,284) | 5,424 |
| Other reserves | 315,142 | 312,139 | (19,899) | (10,994) |
| | (1,482,157) | (980,754) | 57,266 | 540,143 |
| Non-controlling interests | 356,741 | 369,692 | - | - |
| Total equity | (1,125,416) | (611,062) | 57,266 | 540,143 |

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

C. Condensed interim statements of changes in equity

| Group | Attributable to owners of the Company | | | | | | | |
|---|---------------------------------------|--------------------|------------------------|---|---------------------------------------|--------------------|---------------------------|--------------------|
| | Share capital | Accumulated losses | Restructuring reserves | Premium paid on acquisition of non-controlling interest | Foreign currency translation reserves | Total | Non-controlling interests | Total equity |
| | | | | | | | | |
| Balance at 1 January 2024 | 545,713 | (1,838,606) | 309,050 | (3,037) | 6,126 | (980,754) | 369,692 | (611,062) |
| Loss for the period | - | (687,069) | - | - | - | (687,069) | (12,975) | (700,044) |
| Other comprehensive income for the period: | | | | | | | | |
| - Net actuarial gain (loss) on post-employment benefits | - | (37,073) | - | - | - | (37,073) | 24 | (37,049) |
| - Foreign currency translation gain | - | - | - | - | 3,003 | 3,003 | - | 3,003 |
| Other comprehensive income for the period, net of tax | - | (37,073) | - | - | 3,003 | (34,070) | 24 | (34,046) |
| Total comprehensive income for the period | - | (724,142) | - | - | 3,003 | (721,139) | (12,951) | (734,090) |
| Contribution by and distribution to owners: | | | | | | | | |
| - Issuance of new shares during the period | 219,736 | - | - | - | - | 219,736 | - | 219,736 |
| Total contribution by and distribution to owners | 219,736 | - | - | - | - | 219,736 | - | 219,736 |
| Balance at 30 September 2024 | 765,449 | (2,562,748) | 309,050 | (3,037) | 9,129 | (1,482,157) | 356,741 | (1,125,416) |
| Balance at 1 January 2023 | 545,713 | (1,037,855) | 309,050 | (3,037) | (2,048) | (188,177) | 318,663 | 130,486 |
| Profit (loss) for the period | - | (478,211) | - | - | - | (478,211) | 205 | (478,006) |
| Other comprehensive income for the period: | | | | | | | | |
| - Net actuarial gain (loss) on post-employment benefits | - | 700 | - | - | - | 700 | (47) | 653 |
| - Foreign currency translation gain | - | - | - | - | 5,460 | 5,460 | - | 5,460 |
| Other comprehensive income for the period, net of tax | - | 700 | - | - | 5,460 | 6,160 | (47) | 6,113 |
| Total comprehensive income for the period | - | (477,511) | - | - | 5,460 | (472,051) | 158 | (471,893) |
| Balance at 30 September 2023 | 545,713 | (1,515,366) | 309,050 | (3,037) | 3,412 | (660,228) | 318,821 | (341,407) |

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

C. Condensed interim statements of changes in equity (cont'd)

| Company | Attributable to owners of the Company | | | |
|---|---------------------------------------|--------------------|---------------------------------------|-------------------|
| | Share capital | Accumulated losses | Foreign currency translation reserves | Total |
| | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> |
| Balance at 1 January 2024 | 545,713 | 5,424 | (10,994) | 540,143 |
| Total comprehensive income for the period | - | (693,708) | (8,905) | (702,613) |
| Issuance of new shares during the period | 219,736 | - | - | 219,736 |
| Balance at 30 September 2024 | 765,449 | (688,284) | (19,899) | 57,266 |
| Balance at 1 January 2023 | 545,713 | 13,929 | (17,260) | 542,382 |
| Total comprehensive income for the period | - | (5,421) | 3,546 | (1,875) |
| Balance at 30 September 2023 | 545,713 | 8,508 | (13,714) | 540,507 |

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

D. Condensed interim consolidated statement of cash flows

| | Group | |
|--|-------------------|-------------------|
| | 30-Sep-24 | 30-Sep-23 |
| | 9M 2024 | 9M 2023 |
| | <i>Rp'million</i> | <i>Rp'million</i> |
| Cash flows from operating activities | | |
| Loss before income tax | (679,991) | (473,681) |
| Adjustments: | | |
| Interest expenses from loans and borrowings | 160,457 | 135,987 |
| Depreciation of property, plant and equipment | 48,853 | 41,960 |
| Post-employment benefits expense | 27,817 | 11,548 |
| Depreciation of right-of-use assets | 11,859 | 10,825 |
| Amortisation of land use rights | 3,987 | 3,793 |
| Net gain on disposal of property, plant and equipment | (3,263) | (3,130) |
| Inventories recovery | (3,358) | - |
| Interest expenses from lease liabilities | 2,400 | 885 |
| Interest income | (139) | (257) |
| Inventories written-down | - | 1,755 |
| Net loss (gain) on change in fair value of biological assets | 7,625 | (20,000) |
| Net foreign exchange gain | (50,049) | (3,715) |
| Operating cash flow before changes in working capital | <u>(473,802)</u> | <u>(294,030)</u> |
| Changes in working capital : | | |
| Trade and other receivables | (69,459) | (64,005) |
| Inventories | (7,328) | 150,552 |
| Advances to suppliers | (23,885) | 113,765 |
| Prepaid operating expenses | (24,779) | (13,890) |
| Other non-current assets | 53,427 | 4,039 |
| Trade and other payable | 115,013 | 480,009 |
| Other liabilities | 58,702 | 6,228 |
| Advance from customers | 88,200 | 178,565 |
| Cash flow (used in) provided by operations | <u>(283,911)</u> | <u>561,233</u> |
| Income tax refund (paid) | 9,103 | (6,330) |
| Post-employment benefits paid | (51,917) | (30,920) |
| Net cash flows (used in) provided by operating activities | <u>(326,725)</u> | <u>523,983</u> |
| Cash flows from investing activities | | |
| Additions of property, plant and equipment | (571,364) | (682,403) |
| Proceeds from disposal of property, plant and equipment | 14,461 | 3,130 |
| Additions of land use rights | (8,260) | - |
| Additions of biological assets | (7,829) | (5,132) |
| Interest received | 139 | 257 |
| Net cash flows used in investing activities | <u>(572,853)</u> | <u>(684,148)</u> |

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

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

| | Group | |
|---|-------------------|-------------------|
| | 30-Sep-24 | 30-Sep-23 |
| | 9M 2024 | 9M 2023 |
| | <i>Rp'million</i> | <i>Rp'million</i> |
| Cash flows from financing activities | | |
| Drawdown of loans and borrowings | 4,524,706 | 4,696,744 |
| Repayment of loans and borrowings | (4,313,242) | (4,396,171) |
| Interest paid for loans and borrowings | (149,915) | (114,881) |
| Interest paid for lease liabilities | (2,400) | (885) |
| Repayment of lease liabilities | (13,569) | (9,490) |
| Withdrawal of restricted deposits | - | 4 |
| Proceeds from issuance of new shares | 219,736 | - |
| Loan from related parties and a third party | 659,527 | - |
| | <hr/> | <hr/> |
| Net cash flows provided by financing activities | 924,843 | 175,321 |
| | <hr/> | <hr/> |
| Net increase in cash and cash equivalents | 25,265 | 15,156 |
| Effect of exchange rate changes on cash and cash equivalents | (389) | (277) |
| Cash and cash equivalents at beginning of the period | 30,372 | 26,882 |
| | <hr/> | <hr/> |
| Cash and cash equivalents at end of the period | 55,248 | 41,761 |
| | <hr/> <hr/> | <hr/> <hr/> |

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Samko Timber Limited (the Company) is a public limited liability company incorporated and domiciled in Singapore and is listed on the mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The immediate holding company is Sampoerna Forestry Limited, a company incorporated in the British Virgin Islands. The ultimate holding company is Twinwood Operations Limited, a company incorporated in the British Virgin Islands.

These condensed interim consolidated financial statements as at and for the nine months ended 30 September 2024 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are investment holding and general wholesale trade. The principal activities of the Group are manufacturing, marketing and trading timber-based products.

On 2 October 2024, the Company entered into a sale and purchase agreement (the "SPA") with Sampoerna Forestry Limited for the disposal of the Company's interests in certain subsidiaries (collectively, the "Disposed Entities") for total consideration of S\$5,000,000 (the "Proposed Disposal"). The Proposed Disposal is a major transaction under Chapter 10 of the Listing Manual which requires shareholders' approval and subject to certain conditions as stipulated in the SPA including obtaining approvals from the financial institutions.

As at the date of this announcement, certain conditions under the SPA have not been met and the Management has assessed that the criteria under SFRS(I) 5 Non-Current Assets Held for Sale and Discontinued Operations have not been satisfied, accordingly no classification of the Disposed Entities as non-current assets held for sale and discontinued operations is made. Further details of the Proposed Disposal including the principal terms of the SPA, please refer to the Company's announcement dated 2 October 2024.

2. Basis of preparation

The condensed interim financial statements for the three months and nine months ended 30 September 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the six months ended 30 June 2024.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in Indonesia Rupiah (Rp) and all values in the tables are rounded to the nearest million, except when otherwise indicated.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended as set out in Note 2.1.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

2.1. New and amended standards adopted by the Group

The number of amendments to Standards have become applicable for the current reporting period. The adoption of the new standards has no significant impact on the condensed interim consolidated financial statements.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last audited financial statements for the financial year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there is no instance of application of judgement which is expected to have a significant impact on the amounts recognised in the Group's condensed interim financial statements for the three months and nine months ended 30 September 2024.

2.3. Going concern assumption

The Group incurred a net loss of Rp700 billion for the nine months ended 30 September 2024, as of that date, the Group's current liabilities exceeded its current assets by approximately Rp1,856 billion. The Group also has a deficit in equity attributable to owners of the Company amounted to Rp1,482 billion and total net liabilities of Rp1,125 billion as at 30 September 2024.

The above conditions may indicate the existence of uncertainties on the ability of the Group and to continue in operational existence for the foreseeable future and to discharge its liabilities in the normal course of business.

Notwithstanding the above, the management is of the view that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial period ended 30 September 2024 is appropriate. Management believes that the Group will have sufficient fund and will be able to pay its debts as and when they fall due, and the banks will continue to support the Group and is not aware of any adverse circumstances that might cause the Group's bank facilities to be withdrawn.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

4. Revenue and segment information

4.1. Revenue

| | 3 months ended | | | 9 months ended | | |
|---|-------------------|-------------------|--------|-------------------|-------------------|--------|
| | 3Q 2024 | 3Q 2023 | Change | 9M 2024 | 9M 2023 | Change |
| | <i>Rp'million</i> | <i>Rp'million</i> | % | <i>Rp'million</i> | <i>Rp'million</i> | % |
| Domestic sales | 230,241 | 259,224 | (11) | 652,284 | 804,595 | (19) |
| Export sales | 373,676 | 247,882 | 51 | 960,534 | 1,005,590 | (4) |
| Total | 603,917 | 507,106 | 19 | 1,612,818 | 1,810,185 | (11) |
| Timing of transfer of goods and services | | | | | | |
| Sales of goods - at a point in time | 603,917 | 507,106 | 19 | 1,612,818 | 1,810,185 | (11) |

4.2. Segment information

For management purposes, the Group is organised into business divisions based on their products and services, and has three reportable segments as follows:

1. SGS division – refers to the operations of PT Sumber Graha Sejahtera group of entities. This division principally in the business of manufacturing and sales of 1) primary processed timber products (main) such as general plywood and laminated veneer lumber and 2) secondary processed timber products such as truck, piano body parts and decking.
2. SGM division – refers to the operations of PT Sumber Graha Maluku group of entities. This division principally in the business of manufacturing and sales of primary processed timber products (main) such as general plywood and wood pellet.
3. ST division – refers to the operations of Samko Timber Limited and Samko Trading Pte Ltd group of entities. This division principally trade in all types of timber products manufactured by the division, SGS division and third parties. This division also produces mainly secondary timber products such as doors and windows.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss after tax which in certain respects, as explained in the table below, is measured differently from profit or loss after tax in the consolidated financial statements. Group corporate expenses are managed on a group basis and are not allocated to operating segments. These operating segments are reported in a manner consistent with internal reporting provided to the Executive Director and Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

4.2. Segment information (cont'd)

| | SGS division | | SGM division | | ST division | | Adjustment and elimination | | Per consolidated financial statements | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------------|-------------------|---------------------------------------|-------------------|
| | 3 months ended | | 3 months ended | | 3 months ended | | 3 months ended | | 3 months ended | |
| | 3Q 2024 | 3Q 2023 | 3Q 2024 | 3Q 2023 | 3Q 2024 | 3Q 2023 | 3Q 2024 | 3Q 2023 | 3Q 2024 | 3Q 2023 |
| | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> |
| Revenue: | | | | | | | | | | |
| External customers | 291,550 | 248,720 | - | 2,044 | 312,367 | 256,342 | - | - | 603,917 | 507,106 |
| Inter-segment | 270,000 | 173,725 | 26,736 | - | - | - | (296,736) | (173,725) | - | - |
| Total revenue | 561,550 | 422,445 | 26,736 | 2,044 | 312,367 | 256,342 | (296,736) | (173,725) | 603,917 | 507,106 |
| Finance income | 26 | 21 | 9 | 4 | - | 4 | - | - | 35 | 29 |
| Finance expenses | (59,357) | (42,575) | (5,868) | (1,409) | (5,143) | (7,822) | - | - | (70,368) | (51,806) |
| Depreciation of property, plant and equipment | (13,007) | (13,366) | (3,143) | (583) | (9) | (115) | - | - | (16,159) | (14,064) |
| Depreciation of right-of-use assets | (3,793) | (2,950) | (186) | (124) | (212) | (603) | - | - | (4,191) | (3,677) |
| Amortisation of land use rights | (990) | (1,053) | (134) | (43) | - | (47) | - | - | (1,124) | (1,143) |
| Post-employment benefits expense | (8,974) | 9,263 | (211) | (28) | (87) | (245) | - | - | (9,272) | 8,990 |
| Net gain (loss) on change in fair value of biological assets | - | - | (7,625) | - | - | - | - | - | (7,625) | - |
| Net gain (loss) on disposal of property, plant and equipment | 10,955 | (6,663) | - | 935 | (1) | - | - | - | 10,954 | (5,728) |
| Net foreign exchange gain (loss) | 53,277 | (16,927) | 107,868 | (22,844) | 697 | (636) | - | - | 161,842 | (40,407) |
| Tax expenses | (2,266) | 2,529 | 1,502 | 34 | (76) | 12 | - | - | (840) | 2,575 |
| Segment profit (loss) | (162,431) | (203,187) | 73,428 | (30,938) | (12,410) | (11,780) | - | - | (101,413) | (245,905) |

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

4.2. Segment information (cont'd)

| | SGS division | | SGM division | | ST division | | Adjustment and elimination | | Per consolidated financial statements | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------------|-------------------|---------------------------------------|-------------------|
| | 9 months ended | | 9 months ended | | 9 months ended | | 9 months ended | | 9 months ended | |
| | 9M 2024 | 9M 2023 | 9M 2024 | 9M 2023 | 9M 2024 | 9M 2023 | 9M 2024 | 9M 2023 | 9M 2024 | 9M 2023 |
| | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> |
| Revenue: | | | | | | | | | | |
| External customers | 904,734 | 1,123,770 | - | 2,044 | 708,084 | 684,371 | - | - | 1,612,818 | 1,810,185 |
| Inter-segment | 616,190 | 572,531 | 50,153 | - | - | - | (666,343) | (572,531) | - | - |
| Total revenue | 1,520,924 | 1,696,301 | 50,153 | 2,044 | 708,084 | 684,371 | (666,343) | (572,531) | 1,612,818 | 1,810,185 |
| Finance income | 110 | 235 | 27 | 14 | 2 | 8 | - | - | 139 | 257 |
| Finance expenses | (168,585) | (116,851) | (11,822) | (778) | (17,696) | (24,072) | - | - | (198,103) | (141,701) |
| Depreciation of property, plant and equipment | (39,765) | (40,626) | (9,026) | (997) | (62) | (337) | - | - | (48,853) | (41,960) |
| Depreciation of right-of-use assets | (10,318) | (8,560) | (560) | (498) | (981) | (1,767) | - | - | (11,859) | (10,825) |
| Amortisation of land use rights | (3,585) | (3,159) | (402) | (493) | - | (141) | - | - | (3,987) | (3,793) |
| Post-employment benefits expense | (26,788) | (10,731) | (632) | (82) | (397) | (735) | - | - | (27,817) | (11,548) |
| Net gain (loss) on change in fair value of biological assets | - | - | (7,625) | 20,000 | - | - | - | - | (7,625) | 20,000 |
| Net gain (loss) on disposal of property, plant and equipment | 3,117 | (6,222) | - | 9,352 | 146 | - | - | - | 3,263 | 3,130 |
| Net foreign exchange gain (loss) | 10,154 | 6,763 | 36,688 | (2,869) | (320) | 777 | - | - | 46,522 | 4,671 |
| Tax expenses | (16,572) | 1,010 | 1,445 | (4,383) | (4,926) | (952) | - | - | (20,053) | (4,325) |
| Segment profit (loss) | (630,807) | (433,803) | (24,951) | 2,894 | (44,286) | (47,097) | - | - | (700,044) | (478,006) |

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

4.2. Segment information (cont'd)

| | SGS division | | SGM division | | ST division | | Adjustment and elimination | | Per consolidated financial statements | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------------|-------------------|---------------------------------------|-------------------|
| | As at | | As at | | As at | | As at | | As at | |
| | 30 Sept 2024 | 30 Sept 2023 | 30 Sept 2024 | 30 Sept 2023 | 30 Sept 2024 | 30 Sept 2023 | 30 Sept 2024 | 30 Sept 2023 | 30 Sept 2024 | 30 Sept 2023 |
| | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> |
| Assets: | | | | | | | | | | |
| Deferred tax assets | 78,452 | 83,739 | 212 | 99 | 767 | 6,268 | - | - | 79,431 | 90,106 |
| Segment assets | 2,538,560 | 2,547,947 | 2,575,207 | 1,942,898 | 379,039 | 1,020,780 | (618,760) | (1,332,883) | 4,874,046 | 4,178,742 |
| Expenditures for 3Q 2024 and 2023: | | | | | | | | | | |
| Additions to property, plant and equipment | 133,911 | 48,752 | 129,545 | 347,271 | - | - | - | - | 263,456 | 396,023 |
| Additions to right-of-use assets | - | - | - | - | - | - | - | - | - | - |
| Additions to land use rights | - | - | - | - | - | - | - | - | - | - |
| Liabilities: | | | | | | | | | | |
| Loans and borrowings and lease liabilities | 1,889,920 | 1,845,249 | 1,287,207 | 723,564 | 91,680 | 110,999 | - | - | 3,268,807 | 2,679,812 |
| Provision for taxation | 4,245 | 5,567 | 1,257 | 381 | 81 | 203 | - | - | 5,583 | 6,151 |
| Deferred tax liabilities | 12,720 | 18,571 | 84,014 | 56,415 | - | - | - | - | 96,734 | 74,986 |
| Segment liabilities | 3,984,698 | 3,079,837 | 1,836,653 | 1,282,723 | 1,278,434 | 1,260,138 | (1,100,323) | (1,102,967) | 5,999,462 | 4,519,731 |

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

4.2. Segment information (cont'd)

| | SGS division | | SGM division | | ST division | | Adjustment and elimination | | Per consolidated financial statements | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------------|-------------------|---------------------------------------|-------------------|
| | As at | | As at | | As at | | As at | | As at | |
| | 30 Sept 2024 | 30 Sept 2023 | 30 Sept 2024 | 30 Sept 2023 | 30 Sept 2024 | 30 Sept 2023 | 30 Sept 2024 | 30 Sept 2023 | 30 Sept 2024 | 30 Sept 2023 |
| | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> |
| Assets: | | | | | | | | | | |
| Deferred tax assets | 78,452 | 83,739 | 212 | 99 | 767 | 6,268 | - | - | 79,431 | 90,106 |
| Segment assets | 2,538,560 | 2,547,947 | 2,575,207 | 1,942,898 | 379,039 | 1,020,780 | (618,760) | (1,332,883) | 4,874,046 | 4,178,742 |
| Expenditures for 9M 2024 and 2023: | | | | | | | | | | |
| Additions to property, plant and equipment | 197,747 | 124,405 | 288,759 | 545,384 | - | 154 | - | - | 486,506 | 669,943 |
| Additions to right-of-use assets | 34,536 | 2,145 | - | - | - | 1,276 | - | - | 34,536 | 3,421 |
| Additions to land use rights | 8,260 | - | - | - | - | - | - | - | 8,260 | - |
| Liabilities: | | | | | | | | | | |
| Loans and borrowings and lease liabilities | 1,889,920 | 1,845,249 | 1,287,207 | 723,564 | 91,680 | 110,999 | - | - | 3,268,807 | 2,679,812 |
| Provision for taxation | 4,245 | 5,567 | 1,257 | 381 | 81 | 203 | - | - | 5,583 | 6,151 |
| Deferred tax liabilities | 12,720 | 18,571 | 84,014 | 56,415 | - | - | - | - | 96,734 | 74,986 |
| Segment liabilities | 3,984,698 | 3,079,837 | 1,836,653 | 1,282,723 | 1,278,434 | 1,260,138 | (1,100,323) | (1,102,967) | 5,999,462 | 4,519,731 |

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

4.3. Geographical markets

| | 3 months ended | | | 9 months ended | | |
|------------------|----------------|----------------|-----------|------------------|------------------|-------------|
| | 3Q 2024 | 3Q 2023 | Change | 9M 2024 | 9M 2023 | Change |
| | Rp'million | Rp'million | % | Rp'million | Rp'million | % |
| <i>Domestic:</i> | | | | | | |
| Indonesia | 230,241 | 259,224 | (11) | 652,284 | 804,595 | (19) |
| <i>Overseas:</i> | | | | | | |
| North Asia | 149,374 | 118,649 | 26 | 465,015 | 411,545 | 13 |
| North America | 111,051 | 53,505 | 108 | 245,265 | 320,962 | (24) |
| South East Asia | 112,355 | 68,807 | 63 | 237,600 | 252,696 | (6) |
| Others | 896 | 6,921 | (87) | 12,654 | 20,388 | (38) |
| | <u>603,917</u> | <u>507,106</u> | <u>19</u> | <u>1,612,818</u> | <u>1,810,185</u> | <u>(11)</u> |

5. Financial assets and financial liabilities

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

| | Group | | Company | |
|--|-----------------------|-----------------------|---------------------|---------------------|
| | 30 Sept 2024 | 31 Dec 2023 | 30 Sept 2024 | 31 Dec 2023 |
| | Rp'million | Rp'million | Rp'million | Rp'million |
| Trade receivables, net of allowance | | | | |
| - Third parties | 253,062 | 193,303 | - | - |
| Other receivables, net of allowance | | | | |
| - Third parties | 18,071 | 16,609 | - | - |
| - Related parties | 8,259 | 21 | - | - |
| - Subsidiaries | - | - | 2,357 | 5,900 |
| Total trade and other receivables | <u>279,392</u> | <u>209,933</u> | <u>2,357</u> | <u>5,900</u> |
| Add: | | | | |
| - Cash and cash equivalents | 55,248 | 30,372 | 83 | 215 |
| - Guarantee deposits | 5,698 | 5,711 | 112 | 114 |
| Total financial assets carried at amortised costs | <u>340,338</u> | <u>246,016</u> | <u>2,552</u> | <u>6,229</u> |

The management believes that the allowance for expected credit losses provided is adequate to cover possible losses on uncollectible receivables.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

5. Financial assets and financial liabilities (cont'd)

| | Group | | Company | |
|---|------------------|------------------|--------------|----------------|
| | 30 Sept 2024 | 31 Dec 2023 | 30 Sept 2024 | 31 Dec 2023 |
| | Rp'million | Rp'million | Rp'million | Rp'million |
| Trade payables | | | | |
| - Third parties | 875,269 | 693,223 | - | - |
| - Related parties | 1,028 | 816 | - | - |
| - Subsidiaries | - | - | 3,954 | 4,026 |
| Other payables | | | | |
| - Third parties | 233,286 | 299,533 | 1,811 | 1,763 |
| - Related parties | 850 | 466 | - | - |
| - Subsidiaries | - | - | 254 | 185,633 |
| Total trade and other payables | 1,110,433 | 994,038 | 6,019 | 191,422 |
| Add: | | | | |
| - Other liabilities* | 841,742 | 62,606 | 2,900 | 287,445 |
| - Loans and borrowings | 3,241,010 | 3,071,858 | - | - |
| - Lease liabilities | 27,797 | 21,761 | - | - |
| Total financial liabilities carried at amortised costs | 5,220,982 | 4,150,263 | 8,919 | 478,867 |

* excludes post-employment benefits and value added tax

* includes non-interest bearing loans of Rp596 billion from related parties and an interest bearing loan of Rp63 billion from a third party

6. Loss before taxation

6.1. Significant items

| | 3 months ended | | | 9 months ended | | |
|--|----------------|------------|--------|----------------|------------|--------|
| | 3Q 2024 | 3Q 2023 | Change | 9M 2024 | 9M 2023 | Change |
| | Rp'million | Rp'million | % | Rp'million | Rp'million | % |
| Interest expenses: | | | | | | |
| - loans and borrowings | (54,135) | (49,547) | 9 | (160,457) | (135,987) | 18 |
| - lease liabilities | (992) | (344) | 188 | (2,400) | (885) | 171 |
| Depreciation: | | | | | | |
| - property, plant and equipment | (16,159) | (14,064) | 15 | (48,853) | (41,960) | 16 |
| - right-of-use assets | (4,191) | (3,677) | 14 | (11,859) | (10,825) | 10 |
| Post-employment benefits (expenses) recovery | (9,272) | 8,990 | n.m | (27,817) | (11,548) | 141 |
| Amortisation of land use rights | (1,124) | (1,143) | (2) | (3,987) | (3,793) | 5 |
| Interest income | 35 | 29 | 21 | 139 | 257 | (46) |
| Inventories recovery | 177 | - | n.m | 3,358 | - | n.m |
| Net gain (loss) on disposal of property, plant and equipment | 10,954 | (5,728) | n.m | 3,263 | 3,130 | 4 |
| Net gain (loss) on change in fair value of biological assets | (7,625) | - | n.m | (7,625) | 20,000 | n.m |
| Inventories written-down | - | (404) | n.m | - | (1,755) | n.m |
| Net foreign exchange gain (loss) | 161,842 | (40,407) | n.m | 46,522 | 4,671 | 896 |

n.m : not meaningful

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

6.2. Related party transactions

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

7. Taxation

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

| | 3 months ended | | | 9 months ended | | |
|--|----------------|------------|--------|----------------|------------|--------|
| | 3Q 2024 | 3Q 2023 | Change | 9M 2024 | 9M 2023 | Change |
| | Rp'million | Rp'million | % | Rp'million | Rp'million | % |
| Current income tax | (196) | - | n.m | (198) | (37) | 435 |
| Deferred tax (expense) income | (475) | 2,160 | n.m | (16,442) | (4,266) | 285 |
| Over (under) provision of prior year taxes | (169) | 415 | n.m | (3,413) | (22) | 15,414 |
| Total | (840) | 2,575 | n.m | (20,053) | (4,325) | 364 |

Indonesia adopts individual company income tax system. Our effective tax rate was not aligned with statutory tax rate due mainly to certain expenses not deductible for tax purposes.

During the period, the Group recognised deferred tax expense arising due mainly to deferred tax assets from losses of certain subsidiaries were derecognized during the period due to the uncertainty of its recovery, and recognized deferred tax expense from the utilization of post-employment benefits liability.

8. Net (liabilities) assets value

| | Group | | Company | |
|--|---------------|---------------|---------------|---------------|
| | 30 Sept 2024 | 31 Dec 2023 | 30 Sept 2024 | 31 Dec 2023 |
| Net (liabilities) assets attributable to owners of the Company used in computation of net (liabilities) asset value per share (Rp'million) | (1,482,157) | (980,754) | 57,266 | 540,143 |
| Number of ordinary shares at the end of the period | 8,646,408,068 | 2,408,171,095 | 8,646,408,068 | 2,408,171,095 |
| Net (liabilities) assets value per ordinary share (Rp full amount) | (171) | (407) | 7 | 224 |

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

9. Fair value measurement

The Group measures biological assets at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities **(Level 1)**;
- b) Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) **(Level 2)**; and
- c) Inputs for the asset or liability which are not based on observable market data (unobservable inputs) **(Level 3)**

The following table presented the assets measured at fair value:

| Group | Quoted prices in active markets for identical instruments (Level 1) | Significant observable inputs other than quoted prices (Level 2) | Significant unobservable inputs (Level 3) | Total |
|-----------------------------|---|--|---|-------------------|
| As at 30 Sept 2024 | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> |
| Non-financial assets | | | | |
| Biological assets | - | - | 641,430 | 641,430 |
| As at 31 Dec 2023 | | | | |
| Non-financial assets | | | | |
| Biological assets | - | - | 641,227 | 641,227 |

The Group engages external, independent and qualified valuers to determine the fair value of its biological assets at the end of the financial year. Discussion on the valuation process, key inputs applied in the valuation approach, and the reason for the fair value changes, are held between the management and the independent valuer on a yearly basis.

10. Property, plant and equipment

During the period ended 30 September 2024, the Group acquired assets amounting to Rp486 billion (30 September 2023: Rp670 billion), consisting mainly of assets for the production facilities and new machineries for the Mangole Project.

The capital expenditure for the Mangole Project is expected to be US\$91 million of which US\$84 million (including interest and other expenditure) have been incurred as at 30 September 2024. Capital expenditure is supported by new bank OCBC loan facility amounting to US\$84 million, made up of US\$74 million facility for capital expenditure of property, plant and equipment and biological assets, and US\$10 million facility for working capital.

11. Assets classified as held for sale

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

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

12. Borrowings

Amount repayable in one year or less, or on demand

| As at 30 Sept 2024 | | As at 31 Dec 2023 | |
|--------------------|-------------------|-------------------|-------------------|
| Secured | Unsecured | Secured | Unsecured |
| <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> |
| 2,091,191 | 59,929 | 1,821,262 | 73,903 |

Amount repayable after one year

| As at 30 Sept 2024 | | As at 31 Dec 2023 | |
|--------------------|-------------------|-------------------|-------------------|
| Secured | Unsecured | Secured | Unsecured |
| <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> | <i>Rp'million</i> |
| 1,089,890 | - | 1,176,693 | - |

As at 30 September 2024, our bank borrowings are secured by land use rights, buildings and improvements, machineries and heavy equipment, inventories, trade receivables, bank balances of a subsidiary, and corporate guarantee from the Company.

All other assets of the subsidiaries are on negative pledge to the financial institution and some restriction on dividend payment is imposed.

The loans were used for capital expenditures, general working capital purposes, pre-shipment financing, post import financing non letter of credit or trade purchase financing, and foreign exchange line. As at 30 September 2024, the Group has at its disposal unused loan facilities amounting to US\$6 million US\$ facilities and Rp80 billion Rp facilities to drawdown, if required.

The Group believes that, after taken into account, the Group's present bank facilities, internal resources and operating cash flows, and after the Board and Management reviewed the 12-month cashflow forecast from the date of the latest financial statements, the working capital available to the Group is sufficient to meet its present requirements, mainly due to:

- a) the net proceeds from the rights issue of S\$18,714,711 or equivalent to Rp220 billion will strengthen the Group's financial position and provide the financial flexibility to seize opportunities for business growth.
- b) the Group has the abilities to operate as a going concern due to the following:
 - 1) the Sampoerna family, who is the substantial shareholder of the Company, is committed to the Group. As a demonstration of its support, the family had participated in the rights issue of the Company;
 - 2) as at 30 September 2024, a subsidiary of the Company, PT Sumber Graha Sejahtera, has not met certain financial covenant ratios requirement as set out in the loan agreement with some of its lenders, and those lenders have granted the subsidiary waivers of having to comply with such covenant ratios, and accordingly, the related long term loans amounting to Rp1,089,890 million continues to be classified under non-current liabilities as at 30 September 2024; and

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

12. Borrowings (cont'd)

- 3) the lenders continue to support the subsidiary as there is no loans repayment default and the breach is technical in nature. The subsidiary has been servicing the repayments of the loan principal and its interest as and when they fall due and the utilisation of the borrowing facilities continues as usual as of the date of this announcement

13. Share capital

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

The Company did not have any treasury shares, subsidiary holdings or other convertibles, and the Company's subsidiaries do not hold any shares in the Company as at 30 September 2024 and 31 December 2023.

The Company has undertaken a renounceable non-underwritten rights issue of up to 7,224,513,285 new ordinary shares in the capital of the Company at an issue price of S\$0.003 for each right share with the basis of 3 rights shares for every 1 existing ordinary share held by Entitled Shareholders. Pursuant to the rights issue, an aggregate of 6,238,236,973 Rights Shares have been allotted and issued on 4 January 2024 with the total rights issue proceeds of S\$18,714,711 or equivalent to Rp218 billion. Following the allotment and issuance of the Rights Shares, the number of issued and paid-up Shares in the Company has increased from 2,408,171,095 to 8,646,408,068 shares.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

14. Loss per share

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

| | 3 months ended | | 9 months ended | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 3Q 2024 | 3Q 2023 | 9M 2024 | 9M 2023 |
| Net loss for the period attributable to owners of the Company (Rp'million) | (137,235) | (230,472) | (687,069) | (478,211) |
| Weighted average number of ordinary shares for basic loss per share computation | 8,577,856,013 | 2,408,171,095 | 8,577,856,013 | 2,408,171,095 |
| Weighted average number of ordinary shares for diluted loss per share computation | 8,577,856,013 | 2,408,171,095 | 8,577,856,013 | 2,408,171,095 |
| | Rp (full amount) | Rp (full amount) | Rp (full amount) | Rp (full amount) |
| Loss per share attributable to owners of the Company | | | | |
| Basic | (16) | (96) | (80) | (199) |
| Diluted | (16) | (96) | (80) | (199) |

15. Subsequent events

Save for the Proposed Disposal, there were no material events subsequent to the current period under review and up to the date of this announcement.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Samko Timber Limited and its subsidiaries as at 30 September 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three months and nine months period ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

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

Our Group reported a net loss of Rp700 billion in 9M 2024 as compared to Rp478 billion in 9M 2023. Our Group's performance has been significantly affected mainly by the lower sales and gross loss incurred. The overall performance is also affected by higher interest and general and administrative expenses, offset by lower selling expenses and the net gain on foreign exchange.

In the 3Q 2024, the Group reported a net loss of Rp101 billion, compared to a net loss of Rp246 billion in 3Q 2023. The lower net loss for 3Q 2024 was mainly due to the net gain on foreign exchange incurred during the period.

Revenue

Our sales revenue was higher by 19% in 3Q 2024 than 3Q 2023, and decreased by 11% cumulatively as of 9M 2024 compared to 9M 2023 due mainly to lower sales volume by 5%, coupled with lower average selling price by 2%, however our average selling price has started to pick up during the 3Q 2024 while our sales volume was slightly higher.

The composition of our export sales to overall sales increased from 49% and 56% in 3Q and 9M 2023 to 62% and 60% in 3Q and 9M 2024, respectively.

Gross profit (loss)

Our gross profit turned lower to gross loss from Rp11 billion and Rp67 billion gross profit in 3Q and 9M 2023 to gross loss of Rp65 billion and Rp144 billion in 3Q and 9M 2024, respectively. Our gross loss was due mainly to lower sales volume and average selling price as mentioned above.

Other income (expenses)

In 3Q and 9M 2024, other income (expenses) came mainly from the net gain (loss) on foreign exchange incurred during the period, along with the net gain (loss) on change of fair value of biological assets. The strengthening of Rupiah against US Dollar has resulted in unrealised foreign exchange gain due to the translation of our US Dollar denominated loans.

Selling expenses

Our selling expenses decreased by 36% and 31% in 3Q and 9M 2024 as compared to 3Q and 9M 2023, due mainly to lower logistics costs as the global supply chain pressures were easing as a result of the slow-down in the global business activities, and lower export sales volume.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

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

General and administrative expenses

Our general and administrative expenses were slightly higher during the 9M 2024 as compared to 9M 2023, however increased by 20% in 3Q 2024 as compared to 3Q 2023 mainly due to lower provision of pension expenses in 3Q 2023.

Finance expenses

Our finance expenses relate mainly to interest expense. The increase was mainly due to drawdown of additional loans for capital expenditure and working capital and higher interest rate.

Condensed interim statement of financial position

As at 30 September 2024, our Group's current and non-current assets have increased by Rp616 billion to Rp4,874 billion. This was contributed mainly by:

1. higher trade receivables of Rp69 billion which were in line with the increase in sales revenue during the 3Q 2024;
2. higher advance to suppliers of Rp120 billion mainly due to advances for purchase of equipment, spare parts and materials;
3. increase in property, plant and equipment by Rp395 billion mainly due to the addition of assets primarily for machineries and production facilities and offset by depreciation charges during the period; and
4. increase in assets classified as held for sale of Rp31 billion as mentioned above

As at 30 September 2024, our Group's current and non-current liabilities have increased by Rp1,130 billion to Rp5,999 billion. This was contributed mainly by:

1. higher trade and other payables of Rp116 billion as a result of the Management's effort to manage the working capital;
2. higher other current and non-current liabilities of Rp697 billion mainly from non-interest bearing loans from related parties and an interest bearing loan from a third party, to finance the working capital;
3. increase in loans and borrowings and lease liabilities totaling Rp175 billion to finance the investment activities and operations; and
4. increase in advances from customers totaling Rp88 billion

Condensed interim consolidated statement of cash flows

During 9M 2024, the Group generated Rp925 billion from financing activities, and incurred cash outflow of Rp327 billion from operating activities and cash outflow of Rp573 billion from investing activities, respectively. Accordingly, the Group recorded net increase in cash by Rp25 billion.

Our cash used in operating activities was lower in 9M 2024 compared to 9M 2023 mainly due to lower operating cash flows from the working capital.

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

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

Our cash inflow in the financing activities related mainly to non-interest bearing loans from related parties and an interest bearing loan from a third party, and net withdrawals of bank borrowings. The repayments of bank borrowings, lease liabilities, and their interests were in accordance with the repayments schedule.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable

4. A commentary at the date of the announcement of the trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

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

| Indonesia Rupiah to US Dollar exchange rates | (Weakened) / strengthened | Loss after tax for the period |
|--|------------------------------|--|
| | | Rp700 billion (Increase)/ decrease |
| <i>Rp'full amount</i> | | Rp'million |
| 16,046 | (6%) | (47,380) |
| 15,744 | (4%) | (31,587) |
| 15,441 | (2%) | (15,794) |
| 14,835 | 2% | 15,794 |
| 14,532 | 4% | 31,587 |
| 14,230 | 6% | 47,380 |

Our US\$ loans as at 30 September 2024 and 31
December 2023 were US\$154 million and US\$148 million

| Exchange rate: | <u>Rp/US\$1</u> |
|---------------------|-----------------|
| - 14 November 2024 | Rp15,782 |
| - 30 September 2024 | Rp15,138 |
| - 31 December 2023 | Rp15,416 |
| - 30 September 2023 | Rp15,526 |

- 2) Intense competition coming from other Indonesian and Vietnam mills still creating price depreciation in the plywood export market, especially for the USA and Korean market. This condition worsened by aggressive rate hiking cycle by central banks around the world that created slowdown in global construction Industry, which have direct impact to our products demand. Global events and transportation issues also disrupt our products supply chain, leading to delays and increased costs.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

- 3) As the current unfavorable business environment continues to adversely affect our profitability and production capacity, the Management has undertaken some actions to allay some of the liquidity pressures in the near term. The Management has successfully completed the rights issue and has raised a total of Rp218 billion through the exercise. The Management has partially disposed of non-core assets, one of the assets currently being sold are factory and land located in Balaraja, Tangerang, West Java. In addition, the Management has also instituted stricter cost control to enable the Group to help improve the financial position.
- 4) Following the asset acquisition in SGM for the Mangole project in 2019, the Group has substantially completed the construction of the factory, and has already shipped the wood pellet product since March 2024, and has progressively commenced the production for plywood in November 2024.
- 5) Following the completion of the Proposed Disposal and subject to Shareholders' approval for the proposed adoption of the IPT General Mandate being obtained, the Company and its subsidiaries, Bioforest Pte Ltd and PT Bioforest Indonesia ("Post-Disposal Group") will be appointed by the Disposal Group as the exclusive distributor of primary plywood, laminated veneer lumber, piano parts and processed plywood produced by the Disposal Group to end-users/purchasers in Singapore for use in Singapore. The principal activities of the Post-Disposal Group will be general wholesale trade.

5. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend will be declared in the current period being reviewed.

(b) Corresponding Period of the Immediately Preceding Financial Period

Any dividend declared for the corresponding period of the immediately preceding financial period?

No.

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

6. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend for financial period ended 30 September 2024 has been declared because of the accumulated losses.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

7. Interested person transactions

The following is the aggregate value of all transactions with interested persons for the period ended 30 September 2024:

| <i>Name of interested person</i> | <i>Nature of relationship</i> | <i>Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</i> | <i>Aggregate value of all interested person transactions conducted during the financial period under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</i> |
|---|---|--|---|
| | | <i>Rp'million</i> | <i>Rp'million</i> |
| PT Sampoerna Land - <i>Office rental</i> | Mr Michael Joseph Sampoerna, a Director of the Company, together with his immediate family, holds more than 30% of the shareholding interests (direct and indirect) | 5,517 | - |
| PT Bank Sahabat Sampoerna - <i>Finance expense</i> | | 6,337 | - |

PT Sampoerna Land and PT Bank Sahabat Sampoerna are controlled by the Sampoerna family, who are substantial shareholders of the Company.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

G. Confirmation by the Board

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

On behalf of the Board of Directors

Eka Dharmajanto Kasih
Non-Executive Chairman

Riko Setyabudhy Handoko
Executive Director and Chief Executive Officer

Singapore
14 November 2024