

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

Unaudited Full Year Financial Statement and Dividend Announcement for the Year Ended 31/12/2013

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

- 1(a) Consolidated statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	2013	2012 (Restated)	Increase/ (decrease)
	Rp'million	Rp'million	%
Revenue	3,048,823	2,760,580	10
Cost of sales	(2,559,097)	(2,276,560)	12
Gross profit	489,726	484,020	1
Other items of income			
Interest income	920	1,138	(19)
Other income	13,778	18,721	(26)
Other items of expenses			
Selling expenses	(119,517)	(102,683)	16
General & administrative expenses	(228,508)	(209,719)	9
Finance expenses	(48,824)	(46,829)	4
Other expenses	(76,163)	(29,773)	156
Profit before tax	31,412	114,875	(73)
Income tax expense	(12,663)	(31,118)	(59)
Net profit for the year	18,749	83,757	(78)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Net actuarial gain/ (loss) on post-employment benefits	32,765	(24,928)	n.m
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation (loss)/ gain	(2,951)	2,148	n.m
Total comprehensive income for the year	48,563	60,977	(20)
Net profit attributable to:			
Owners of the Company	12,866	83,059	(85)
Non-controlling interests	5,883	698	743
	18,749	83,757	(78)
Total comprehensive income attributable to:			
Owners of the Company	42,868	60,279	(29)
Non-controlling interests	5,695	698	716
	48,563	60,977	(20)

n.m : not meaningful

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

The following items have been included in arriving at profit before tax:

	Group		
	2013	2012 (Restated)	Increase/ (decrease)
	Rp'million	Rp'million	%
Insurance claim	11,085	7,070	57
Gain on sales of other non-current assets	2,103	-	n.m
(Loss)/ gain on sale of property, plant and equipment	(1,051)	1,375	n.m
Amortisation of intangible assets	(1,273)	(873)	46
Inventories written-down	(1,545)	-	n.m
(Loss)/ gain on change in fair value of biological assets	(1,542)	9,177	n.m
Property, plant and equipment written-off due to fire incident	(1,671)	-	n.m
Amortisation of land use rights	(3,109)	(4,768)	(35)
Allowance for doubtful receivables	(4,603)	(3,857)	19
Post employment benefits expenses	(29,535)	(26,746)	10
Interest expense	(44,756)	(44,072)	2
Loss on foreign exchange, net	(53,963)	(17,010)	217
Depreciation of property, plant and equipment	(105,228)	(99,359)	6
Acquisition costs incurred on new subsidiaries	-	(709)	(100)

n.m : not meaningful

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 Dec 2013	31 Dec 2012 (Restated)	31 Dec 2013	31 Dec 2012
	Rp'million	Rp'million	Rp'million	Rp'million
Non-current assets				
Property, plant and equipment	641,103	663,142	327	14
Intangible assets ⁽¹⁾	37,199	38,315	-	-
Investment in subsidiary companies	-	-	672,822	642,072
Investment in an associate ⁽²⁾	-	-	-	-
Biological assets	59,782	56,876	-	-
Land use rights	60,582	57,966	-	-
Deferred tax assets	60,390	50,846	1,437	3,661
Other non-current assets	14,397	17,988	41	40
	873,453	885,133	674,627	645,787
Current assets				
Inventories	412,464	342,078	-	-
Trade and other receivables	165,487	127,539	37,961	67,784
Prepaid operating expenses	38,248	35,027	126	76
Advances to suppliers	82,444	72,741	1,889	-
Restricted deposits	27,814	15,763	-	-
Cash and cash equivalents	102,841	90,350	6,864	1,487
	829,298	683,498	46,840	69,347
Current liabilities				
Trade and other payables	207,914	195,644	3,236	3,380
Other liabilities	127,084	94,548	3,311	2,384
Advances from customers	29,565	31,808	-	-
Provision for taxation	19,397	30,166	-	-
Loans and borrowings	249,068	153,367	-	-
	633,028	505,533	6,547	5,764
Net current assets	196,270	177,965	40,293	63,583
Non-current liabilities				
Loans and borrowings	275,111	283,929	-	-
Post-employment benefits	147,565	175,678	-	-
Deferred tax liabilities	6,376	11,383	-	-
	429,052	470,990	-	-
Net assets	640,671	592,108	714,920	709,370
Equity attributable to owners of the Company				
Share capital	2,188,645	2,188,645	2,188,645	2,188,645
Accumulated losses	(1,868,263)	(1,914,121)	(1,473,725)	(1,479,275)
Other reserves	308,445	311,435	-	-
	628,827	585,959	714,920	709,370
Non-controlling interests	11,844	6,149	-	-
	640,671	592,108	714,920	709,370

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

Notes:

- (1) Included in the intangibles is goodwill arising from the acquisition of subsidiaries of Rp25,992 million.
- (2) Represents the Company's 24.6% investment in PT SLJ Global Tbk (formerly PT Sumalindo Lestari Jaya Tbk). Full provision of impairment has been made for this investment previously.

(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 December 2013		As at 31 December 2012	
Secured Rp'million	Unsecured Rp'million	Secured Rp'million	Unsecured Rp'million
249,068*	-	153,367	-

Amount repayable after one year

As at 31 December 2013		As at 31 December 2012	
Secured Rp'million	Unsecured Rp'million	Secured Rp'million	Unsecured Rp'million
275,111	-	283,929*	-

*) Includes a loan facility of S\$10,000,000 (2012: S\$5,000,000) which has an option allowing the lender to subscribe for new shares in a subsidiary if the subsidiary is unable to meet its obligation and or when the subsidiary is undertaking a public offering or the Company undertakes to sell the subsidiary's shares.

Details of any collateral

As at 31 December 2013, our bank borrowings are secured and guaranteed by the following:

- (1) Short term working capital facilities: secure over the land use rights, buildings, machinery, inventories and account receivables of certain subsidiaries;
- (2) Long term bank borrowings:
 - Guarantee undertaking from two major shareholders of the Company, the Company and certain subsidiaries;
 - Secured over the land use rights, buildings, machinery, inventories, account receivables, bank balances of certain subsidiaries. All other assets of these subsidiaries are on negative pledge to the financial institution and some restriction on dividend payment is imposed on them; and
- (3) All assets acquired under finance leases are secured against the assets under lease.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

1(c) Consolidated statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	2013	2012
	Rp'million	Rp'million
Cash flows from operating activities		
Profit before tax	31,412	114,875
Adjustments:		
Depreciation of property, plant and equipment	105,228	99,359
Interest expense	44,756	44,072
Foreign exchange loss	42,753	14,659
Post-employment benefits expense	29,535	26,746
Allowance for doubtful receivables	4,603	3,857
Amortisation of land use rights	3,109	4,768
Property, plant and equipment written-off	1,671	-
Inventories written-down	1,545	-
Loss/ (gain) on change in fair value of biological assets	1,542	(9,177)
Amortisation of intangible assets	1,273	873
Loss/ (gain) on disposal of property, plant and equipment	1,051	(1,375)
Interest income	(920)	(1,138)
Gain on sales of other non-current assets	(2,103)	-
	<hr/>	<hr/>
Operating cash flow before changes in working capital	265,455	297,519
Changes in working capital :		
Inventories	(71,931)	(131,686)
Trade and other receivables	(39,773)	(39,681)
Prepaid operating expenses	(7,367)	(2,664)
Advances to suppliers	(26,107)	22,392
Trade and other payable	12,270	21,021
Other liabilities	25,020	25,753
Advance from customers	(2,243)	(32,026)
Other non-current assets	5,694	(1,147)
	<hr/>	<hr/>
Cash flow provided by operations	161,018	159,481
Income tax paid	(44,884)	(49,418)
Post-employment benefit paid	(6,781)	(3,795)
	<hr/>	<hr/>
Net cash flows from operating activities	109,353	106,268
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of property, plant, and equipment	(76,872)	(120,819)
Additions of biological assets	(4,448)	(22,962)
Interest received	920	1,138
Additions of land use rights	(3,830)	(2,783)
Proceeds from disposal of property, plant and equipment	4,584	606
Net cash inflow on acquisition of subsidiaries	-	21,688
Capital contribution from NCI	-	1,750
	<hr/>	<hr/>
Net cash flows used in investing activities	(79,646)	(121,382)
	<hr/>	<hr/>

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

	Group	
	2013	2012
	Rp'million	Rp'million
Cash flows from financing activities		
Drawdown of loans and borrowings	679,187	276,649
Repayment of loans and borrowings	(668,999)	(240,073)
Proceed from sale and lease back transactions - finance lease arrangements	14,031	9,925
Interest paid	(42,064)	(37,221)
Placement of restricted deposits	(9,526)	-
Net cash flows (used in)/ provided by financing activities	(27,371)	9,280
Net increase/ (decrease) in cash and cash equivalents	2,336	(5,834)
Effect of exchange rate changes on cash and cash equivalent	10,155	1,156
Cash and cash equivalents at beginning of year	90,350	95,028
Cash and cash equivalents at end of year	<u>102,841</u>	<u>90,350</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Attributable to owners of the Company				Total	Non- controlling interests	Total equity
	Share capital	Accumulated losses	Restruc- turing reserves	Foreign currency translation reserve			
	Rp'million	Rp'million	Rp'million	Rp million	Rp'million	Rp'million	Rp'million
Balance at 1 January 2012 (As previously stated)	2,134,271	(1,933,927)	309,050	237	509,631	3,817	513,448
Cumulative effect of adopting FRS 19 - Revised	-	(38,324)	-	-	(38,324)	-	(38,324)
Balance at 1 January 2012 (As restated)	2,134,271	(1,972,251)	309,050	237	471,307	3,817	475,124
Issued of new shares during the year	54,374	-	-	-	54,374	-	54,374
Acquisition of new subsidiaries	-	-	-	-	-	(139)	(139)
Capital contribution from NCI	-	-	-	-	-	1,750	1,750
Portion on foreign currency translation allocated to NCI	-	-	-	-	-	23	23
Total comprehensive income for the year	-	58,130	-	2,148	60,278	698	60,976
Balance at 31 December 2012	2,188,645	(1,914,121)	309,050	2,385	585,959	6,149	592,108
Total comprehensive income for the year	-	45,858	-	(2,990)	42,868	5,695	48,563
Balance at 31 December 2013	<u>2,188,645</u>	<u>(1,868,263)</u>	<u>309,050</u>	<u>(605)</u>	<u>628,827</u>	<u>11,844</u>	<u>640,671</u>

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

Company

	Attributable to owners of the Company		
	Share capital	Accumulated losses	Total
	Rp'million	Rp'million	Rp'million
Balance at 1 January 2012	2,134,271	(1,478,022)	656,249
Issue of new shares during the year	54,374	-	54,374
Total comprehensive income for the year	-	(1,253)	(1,253)
Balance at 31 December 2012	2,188,645	(1,479,275)	709,370
Total comprehensive income for the year	-	5,550	5,550
Balance at 31 December 2013	2,188,645	(1,473,725)	714,920

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's shares during the period ended 31 December 2013.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Group and Company
	Number of shares
At 31 December 2013 and 31 December 2012	1,401,445,464

There were no shares held as treasury shares as at 31 December 2013 and 31 December 2012.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable, as there were no shares held as treasury shares as at 31 December 2013 and 31 December 2012.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditor.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the new and revised accounting standards which came into effect for the financial year beginning 1 January 2013 and has applied the same accounting policies and methods of computation as those of the previous financial year ended 31 December 2012. Save as disclosed in paragraph 5 below, the adoption of the new and revised accounting standards has no material impact on the financial statements of the Group and the Company for the year ended 31 December 2013.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In accordance with Financial Reporting Standard (FRS) 19, Employee Benefits which took effect from 1 January 2013, all actuarial gains and losses arising from ascertaining the provision for post-employment benefits are now required to be recognised in other comprehensive income. Following the adoption of this revised FRS 19, the Group restated the comparatives equity as shown in paragraph 1(d)(i) above.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	2013	2012
Weighted average number of ordinary shares for basic earnings per share computation	1,401,445,464	1,377,240,357
Weighted average number of ordinary shares for diluted earnings per share computation	1,401,445,464	1,377,240,357
	Rp (full amount)	Rp (full amount)
Earnings per share attributable to owners of the Company		
Basic	9	60
Diluted	9	60

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group		Company	
	31 Dec 2013	31 Dec 2012 (Restated)	31 Dec 2013	31 Dec 2012
Net assets for the year attributable to owners of the Company used in computation of net asset value per share (Rp'million)	628,827	585,959	714,920	709,370
Number of ordinary shares at the end of the period	1,401,445,464	1,401,445,464	1,401,445,464	1,401,445,464
Net asset value per ordinary share (Rp full amount)	449	418	510	506

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors**

Our Group reported a net profit of Rp19 billion in 2013 as compared to Rp84 billion in 2012. The decrease in the profit was attributable mainly to foreign exchange loss incurred of Rp54 billion in 2013 and the general increase in production and operating costs because of rising wages and raw material costs. Our domestic and export sales remain strong, our sales was Rp3,049 billion in 2013, increased by 10% as compared to 2012.

Revenue

	Group		
	2013	2012	Increase/ (decrease)
	Rp'million	Rp'million	%
Domestic sales	2,263,843	2,134,879	6
Export sales	784,980	625,701	25
Total	3,048,823	2,760,580	10

Our domestic sales improved 6% as compared to 2012. This was mainly due to upward adjustment of our products prices to cushion the rising costs (average price improved by 5% versus those in 2012) while the sales volumes remain relatively stable for the same period ended. On the export front, our volume increased by 21% as compared to last year.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

Cost of sales

	Group		
	2013	2012 (Restated)	Increase/ (decrease)
	Rp'million	Rp'million	%
Raw material	1,307,872	1,230,173	6
Labour costs	600,239	470,042	28
Factory overhead	687,750	623,056	10
Movement in finished goods	(36,764)	(46,711)	(21)
Total	2,559,097	2,276,560	12

Our raw materials comprise of cost of logs and veneer purchased and its incidental costs. The factory overheads consist of cost of chemical glues (production and outright purchases) and costs related directly and indirectly to production.

The increase in the costs in 2013 and was mainly due to higher labour costs incurred as a result of the increase in minimum wage in Indonesia and rising raw material costs and overhead, consequences of reduction in fuel subsidy by the Indonesian government and the effect of the rising wages.

Gross profit

Despite higher sales reported, our gross profit for 2013 increased marginally owing mainly to rising costs as mentioned above.

Other Income

The other income for 2012 was higher primarily due to a gain reported from the revaluation of biological assets in 2012 amounted to Rp9 billion whereas a fair value loss of Rp2 billion was reported in the current year.

Selling expenses

As sales improved, our selling expenses have also increased. The expenses increased by 16% in 2013 and this were mainly due to the increase in freight charges.

General and administration (“G&A”) expenses

Our G&A expenses have increased over that of the previous year. This was due mainly to salary and its related staff benefits adjustments.

Other expenses

Our other expenses were higher in 2013 was mainly due to higher foreign exchange loss incurred during the year by Rp37 billion. The weakening of Rupiah will generally result in the Group incurring exchange loss due to the translation of US dollars denominated loans.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

Taxation

Our tax expenses comprise the following:

	Group		
	2013	2012	Increase/ (decrease)
	Rp'million	Rp'million	%
Current income tax	(33,230)	(45,131)	(26)
Deferred income tax	25,598	14,307	79
Under provision of prior years taxes	(5,031)	(294)	1,611
Total	(12,663)	(31,118)	(59)

Indonesia adopts individual company income tax system.

Our effective tax rate was higher due mainly to certain expenses not deductible for tax purposes and losses of certain subsidiaries which cannot be offset with the profits of the other profit making entities.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of Financial Position

The Group's property, plant and equipment decreased by Rp22 billion due mainly to the depreciation charges more than offset the addition of property, plant and equipment during year. Trees planting program continued and we have incurred Rp4 billion in various estates. The deferred tax assets have also increased by Rp10 billion mainly owing to accrual for the tax benefits arising from the provision for post-employment benefits and unutilized tax losses.

For the year ended, our current assets have increased by Rp146 billion to Rp829 billion. The increase was due mainly to:

- 1) higher inventories level for raw material, work-in progress stocks and finished goods as our production and sales volume grew;
- 2) increased in trade receivables by Rp28 billion as a results of higher sales volume in 4th quarter 2013 and price adjustment made, net of any necessary provision for doubtful debts;
- 3) Increased in other receivables by Rp10 billion owing mainly to receivables of insurance claim and proceed from disposal of a non-current asset.
- 4) higher cash generated and restricted deposits (as explained below); and
- 5) higher advances to suppliers mainly for the purchase of logs.

Our Group's current liabilities have increased by Rp127 billion to Rp633 billion as at 31 December 2013. This contributed mainly by draw-down of additional short term loan as well as reclassification of loan due within 12 months and higher trade payables. The provisions for taxation for 2013 has also reduced as the profit in 2013 was lower than 2012.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

For the same period ended, the non-current liabilities have decreased by Rp42 billion. This was mainly due to lower provision for retirement benefits made during the period as assessed by a professional actuary and reclassification of loan to short term.

Statement of Cash Flow

During the year, we generated Rp109 billion from our operations, incurred net cash outflow of Rp80 billion from our investing activities and outflow of Rp27 billion for financing activities. Net cash increased by Rp2 billion.

Our cash generated from operating activities was marginally higher compared to 2012 despite higher revenue generated. This was due mainly to higher cash used to reinvest in inventories and advances logs for production in 2013.

Our cash used in the investing activities were mainly for acquisitions of property, plant and equipment and expenditure on trees planting for our upstream activities. The cash used was lower mainly due to lower capital expenditure.

Our cash outflow in the financing activities relates mainly to repayments of bank borrowings and its interests, offset against additional drawdown of loans as well as placement of deposits as security for the borrowings.

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

Not applicable.

10. 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 and SG 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 the US dollar expected to receive from our increasing export sales (thus providing the natural hedging to the foreign currency fluctuation exposure), we illustrate below the sensitivity impact of our US and SG dollar borrowings to our net profit arising from the possible change in the US and SG dollar exchange rate, assuming all other variables are held constant with tax rates of 25% and 17%:

Indonesia Rupiah and Singapore Dollar to US Dollar exchange rates	Profit after tax for the year ended 31 Dec 2013
(Weakened) / strengthened	18,749
	Increase/ (decrease)
	Rp'million
(9%)	(17,602)
(6%)	(11,734)
(3%)	(5,868)
3%	5,868
6%	11,734
9%	17,602

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

Exchange rates:

	<u>US\$1</u>	<u>S\$1</u>
- 21 February 2014	Rp11,792	Rp9,316
- 31 December 2013	Rp12,189	Rp9,628
- 31 December 2012	Rp9,670	Rp7,907

- 2) The significant increase in the minimum wage and the reduction in the fuel subsidy by the Indonesia government have affected to our profit margin. The adverse effect of these adjustments has affected our performance in 2013. We expect these challenges to continue in the near term. We are monitoring the situation and will take the necessary actions to mitigate the impact and strive to remain competitive.
- 3) We will continue to explore, develop and be innovative in our product offerings and manage our production efficiently. Our strategies remain that of expanding downstream and embark on our own tree planting activities (upstream) which we believe will benefit us in the long-term.
- 4) Barring any unforeseen circumstances in the volatile global economic condition, we believe our local sales to remain stable and export sales to improve. Our current export market is mainly to North Asia, in particular Japan.

11. 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 Year

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

No.

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend for financial period ended 31 December 2013 has been declared.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

13. Interested person transactions.

Name of 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)
	1 Jan – 31 December 2013	
	Rp'million	Rp'million
PT Pelayaran Nelly Dwi Putri Time charter of tug and barges; and Freight expense. Transactions entered into pursuant to contract approved by shareholders on 10 August 2010 and ended in September 2013	26,375	-
PT Pelayaran Nelly Dwi Putri Time charter of tug and barges; and Freight expense. Contracts effective in September 2013	7,345	-
PT Wahana Sekar Agro Cooperation for cultivation of trees	3,262	-
PT Sampoerna Land (formerly PT Buana Sakti) Office rental	3,479	-

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently unaudited annual financial statements, with comparative information for the immediately preceding year.**

Year end				
31 December 2013				
	SGS division	ST division	Elimination	Total
	Rp Million	Rp Million	Rp Million	Rp Million
Revenue:				
Sales to external customers	1,925,297	1,123,526	-	3,048,823
Inter-segment sales	1,017,470	-	(1,017,470)	-
Total revenue	2,942,767	1,123,526	(1,017,470)	3,048,823
Results:				
Finance income	852	68	-	920
Finance expense	(36,719)	(12,105)	-	(48,824)
Depreciation	(102,461)	(2,767)	-	(105,228)
Amortisation of land use rights	(3,109)	-	-	(3,109)
Amortisation of intangible assets	(1,273)	-	-	(1,273)
Loss on change in fair value of biological assets	(1,542)	-	-	(1,542)
Post employment benefits expenses	(28,245)	(1,290)	-	(29,535)
Tax expenses	(8,381)	(4,282)	-	(12,663)
Segment (loss)/ profit	(9,124)	28,587	(714)	18,749
Year end				
31 December 2012				
	SGS division	ST division	Elimination	Total
	Rp Million	Rp Million	Rp Million	Rp Million
Revenue:				
Sales to external customers	2,028,436	732,144	-	2,760,580
Inter-segment sales	645,739	-	(645,739)	-
Total revenue	2,674,175	732,144	(645,739)	2,760,580
Results:				
Finance income	912	226	-	1,138
Finance expense	(40,235)	(6,580)	(14)	(46,829)
Depreciation	(97,672)	(514)	(1,173)	(99,359)
Amortisation of land use rights	(4,768)	-	-	(4,768)
Amortisation of intangible assets	(873)	-	-	(873)
Gain on change in fair value of biological assets	9,177	-	-	9,177
Post employment benefits expenses	(26,006)	(739)	106	(26,639)
Tax expenses	(31,674)	(3,245)	3,801	(31,118)
Segment profit	76,376	9,224	(1,842)	83,758

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.

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

ST division – Refers to the operations of Samko Trading group of entities. This division principally trade in all types of timber products manufactured by the division, SGS division and third parties. This division produces mainly secondary timber products such as doors and windows.

Geographical segments

The following table presents revenue information regarding our Group's geographical segments for years ended 31 December

Region	Group	
	2013	2012
	Rp'million	Rp'million
Indonesia	2,210,379	2,092,892
North Asia	617,576	566,510
Malaysia	65,209	19,202
Singapore	49,919	36,121
United States of America	35,736	20,576
Timor Leste	9,398	10,545
Others	60,606	14,734
	<u>3,048,823</u>	<u>2,760,580</u>

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to section 8

16. A breakdown of sales.

	Group		
	2013	2012	Increase/
	Rp'million	(Restated) Rp'million	(decrease) %
Revenue:			
- First quarter	718,905	686,750	5%
- Second quarter	742,810	673,146	10%
- Third quarter	729,670	645,151	13%
- Fourth quarter	857,438	755,533	13%
	<u>3,048,823</u>	<u>2,760,580</u>	<u>10%</u>
Operating profit after tax before deducting non-controlling interest:			
- First quarter	16,583	27,206	-39%
- Second quarter	10,039	23,744	-58%
- Third quarter	(41,190)	10,160	n.m
- Fourth quarter	33,317	22,647	47%
	<u>18,749</u>	<u>83,757</u>	<u>-78%</u>

n.m : not meaningful

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

- 17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

No dividend has been declared.

- 18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11).**

The Board of Directors of Samko Timber Limited ("the Company") wishes to confirm that there are no persons occupying managerial positions in the Company or any of its principal subsidiaries during the financial year ended 31 December 2013 who are related to a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Aris Sunarko @ Ko Tji Kim
Chief Executive Officer
21 February 2014