

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

Unaudited Full Year Financial Statements and Dividend Announcement for the Year Ended 31/12/2015

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		
	2015	2014	Change
	<i>Rp'million</i>	<i>Rp'million</i>	%
Revenue	3,463,008	3,281,792	6
Cost of sales	(3,119,201)	(2,750,106)	13
Gross profit	343,807	531,686	(35)
Other items of income			
Interest income	544	651	(16)
Other income	5,019	17,844	(72)
Other items of expenses			
Selling expenses	(162,236)	(145,596)	11
General & administrative expenses	(319,210)	(271,384)	18
Finance expenses	(91,442)	(66,336)	38
Other expenses	(227,256)	(50,292)	352
(Loss) profit before tax	(450,774)	16,573	n.m
Taxation	(27,636)	(13,898)	99
Net (loss) profit for the year	(478,410)	2,675	n.m
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Net actuarial gain (loss) on post-employment benefits	3,890	(33,650)	n.m
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation gain	14,576	3,805	283
Total comprehensive income for the year	(459,944)	(27,170)	1,593
Net (loss) profit attributable to:			
Owners of the Company	(477,723)	4,863	n.m
Non-controlling interests	(687)	(2,188)	(69)
	(478,410)	2,675	n.m
Total comprehensive income attributable to:			
Owners of the Company	(459,354)	(24,744)	1,756
Non-controlling interests	(590)	(2,426)	(76)
	(459,944)	(27,170)	1,593

n.m : not meaningful

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

	Group		
	2015	2014	Change
	<i>Rp'million</i>	<i>Rp'million</i>	%
Depreciation of property, plant and equipment	(131,986)	(114,387)	15
Loss on foreign exchange, net	(90,036)	(28,049)	221
Interest expense	(84,742)	(62,376)	36
Inventories written-down	(54,609)	(1,165)	4,587
Post employment benefits expenses	(48,077)	(36,016)	33
Impairment of intangible assets	(34,915)	-	n.m
Allowance for irrecoverable advance to suppliers	(18,710)	(188)	9,852
Allowance for doubtful receivables	(10,409)	(4,108)	153
Amortisation of land use rights	(3,905)	(4,252)	(8)
(Loss) gain on change in fair value of biological assets	(2,589)	5,530	n.m
Amortisation of intangible assets	(992)	(1,309)	(24)
Gain on disposal of property, plant and equipment	3,351	5,413	(38)
Insurance claim	1,226	1,107	11
Interest income	544	651	(16)
Workers voluntarily separation expenses *)	-	(5,526)	(100)

*) Included in "Other expenses"

n.m : not meaningful

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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 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
Non-current assets				
Property, plant and equipment	662,542	679,537	149	236
Intangible assets ⁽¹⁾	-	35,825	-	-
Investment in subsidiary companies ⁽²⁾	-	-	126,076	620,449
Investment in an associate ⁽³⁾	-	-	-	-
Biological assets	55,603	55,500	-	-
Land use rights	66,874	67,806	-	-
Deferred tax assets	65,316	93,241	-	-
Other non-current assets	31,986	43,222	9	9
	882,321	975,131	126,234	620,694
Current assets				
Inventories	567,975	596,073	-	-
Trade and other receivables	238,709	234,526	37,620	45,986
Prepaid operating expenses	74,849	55,865	447	484
Advances to suppliers	30,880	65,332	-	361
Restricted deposits	7,525	7,589	-	-
Cash and cash equivalents	91,075	107,073	2,411	7,276
	1,011,013	1,066,458	40,478	54,107
Current liabilities				
Trade and other payables	339,414	258,152	7,540	14,685
Other liabilities	125,719	136,227	3,636	3,807
Advances from customers	27,497	15,045	723	995
Provision for taxation	11,401	21,317	-	-
Loans and borrowings	536,239	367,385	-	-
	1,040,270	798,126	11,899	19,487
Net current (liabilities) assets	(29,257)	268,332	28,579	34,620
Non-current liabilities				
Loans and borrowings	456,644	410,026	-	-
Post-employment benefits	240,275	217,544	-	-
Deferred tax liabilities	569	2,392	-	-
	697,488	629,962	-	-
Net assets	155,576	613,501	154,813	655,314
Equity attributable to owners of the Company				
Share capital	2,188,645	2,188,645	2,188,645	2,188,645
Accumulated losses	(2,370,739)	(1,896,810)	(2,033,832)	(1,533,331)
Other reserves	326,823	312,248	-	-
	144,729	604,083	154,813	655,314
Non-controlling interests	10,847	9,418	-	-
	155,576	613,501	154,813	655,314

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Notes:

- (1) Intangible assets includes goodwill arising from acquisition of certain subsidiaries amounted to Rp25,992 million. The goodwill and other intangible assets related to these subsidiaries were fully impaired in 3Q 2015.
- (2) At Company level, a provision for impairment of Rp494,373 million has been made for investment in certain subsidiaries whose performance deteriorated in the current year.
- (3) Represents the Group's 24.6% investment in PT SLJ Global Tbk (formerly PT Sumalindo Lestari Jaya Tbk). Full provision of impairment had 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 Dec 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
536,239	-	367,385	-

Amount repayable after one year

As at 31 Dec 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
456,644	-	410,026	-

Details of collaterals

As at 31 December 2015, our bank borrowings are secured by the following:

- (1) Land use rights, buildings, machinery and equipment, inventories, account receivables, collection and restricted deposits of a subsidiary, and corporate guarantees from the Company and certain subsidiaries of the Company. The loan facilities from our major lenders also include a clause demanding mandatory repayment of all the loan facilities if (i) there is any reduction in direct and/or indirect shareholding interests of PT Sumber Graha Sejahtera ("PT SGS") by Sampoerna Strategic Group, or (ii) the representatives appointed by Sampoerna Strategic Group are no longer present in PT SGS; or (iii) Mr Putera Sampoerna and his family is directly or indirectly no longer the controlling ultimate beneficiary owner of PT SGS and the Company. All other assets of the subsidiaries are on negative pledge to the financial institution and some restriction on dividend payment is imposed; and

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(2) All assets acquired under finance leases are secured against the assets under lease.

During the last two quarters of this year, a subsidiary of the Company has failed to meet certain financial ratios requirement as set out in the agreement with one of its lenders. The breach is technical in nature as the subsidiary did not default any loan repayment and interest payable, utilization of the borrowing facilities was as normal.

As at the date of this announcement, the lender has granted the subsidiary a temporary relief of having to comply with such covenants and continued to support the subsidiary.

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	
	2015	2014
	<i>Rp'million</i>	<i>Rp'million</i>
Cash flows from operating activities		
(Loss) profit before tax	(450,774)	16,573
Adjustments:		
Depreciation of property, plant and equipment	131,986	114,387
Interest expense	84,742	62,376
Foreign exchange loss	70,795	8,456
Inventories written-down	54,609	1,165
Post-employment benefits expense	48,077	36,016
Impairment of intangible assets	34,915	-
Allowance for irrecoverable advance to suppliers	18,710	188
Allowance for doubtful receivables	10,409	4,108
Amortisation of land use rights	3,905	4,252
Loss (gain) on change in fair value of biological assets	2,589	(5,530)
Amortisation of intangible assets	992	1,309
Interest income	(544)	(651)
Gain on disposal of property, plant and equipment	(3,351)	(5,413)
Operating cash flow before changes in working capital	7,060	237,236
Changes in working capital :		
Trade and other receivables	(14,592)	(73,147)
Inventories	(26,511)	(184,774)
Prepaid operating expenses	(2,928)	(30,568)
Advances to suppliers	15,742	5,941
Trade and other payable	84,290	50,238
Other liabilities	(15,750)	9,854
Advance from customers	12,452	(14,520)
Other non-current assets	(22,433)	799
Cash flow provided by operations	37,330	1,059
Income tax paid, net of refund	(38,196)	(24,550)
Post-employment benefit paid	(5,578)	(9,283)
Net cash flows used in operating activities	(6,444)	(32,774)

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	Group	
	2015	2014
	<i>Rp'million</i>	<i>Rp'million</i>
Cash flows from investing activities		
Purchase of property, plant and equipment (Note (i))	(91,677)	(183,098)
Additions of land use rights	(2,178)	(1,040)
Additions of biological assets	(2,692)	9,812
Interest received	544	651
Proceeds from disposal of property, plant and equipment	9,553	9,160
Investment in a new subsidiary	(3,028)	-
Additional controlling interest from a new subsidiary	2,019	-
Net cash flows used in investing activities	<u>(87,459)</u>	<u>(164,515)</u>
Cash flows from financing activities		
Drawdown of loans and borrowings	2,134,138	2,061,606
Repayment of loans and borrowings	(1,984,829)	(1,822,801)
Interest paid	(75,043)	(57,952)
Withdrawal of restricted deposits	533	20,421
Placement of restricted deposits	(203)	(300)
Net cash flows provided by financing activities	<u>74,596</u>	<u>200,974</u>
Net (decrease) increase in cash and cash equivalents	(19,307)	3,685
Effect of exchange rate changes on cash and cash equivalent	3,309	547
Cash and cash equivalents at beginning of year	<u>107,073</u>	<u>102,841</u>
Cash and cash equivalents at end of year	<u><u>91,075</u></u>	<u><u>107,073</u></u>

Notes:

(i) Purchase of property, plant and equipment

Property, plant and equipment were purchased by:

- Cash payment	91,677	183,098
- Reclassification of advances made in previous year for the purpose of property, plant and equipment	33,669	-
- Advances for purchase of property, plant and equipment	-	(29,077)
- Finance lease	754	2,540
	<u>126,100</u>	<u>156,561</u>

The acquisitions above were made in the ordinary course of business and they were mainly machinery and equipment for use in the operations.

(ii) Non-cash transaction:

Reclassification of other non-current assets to land use rights

	<u>-</u>	<u>10,436</u>
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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					Non-controlling interests	Total equity
	Share capital	Accumulated losses	Restructuring reserves	Foreign currency translation reserve	Total		
	Rp'million	Rp'million	Rp'million	Rp million	Rp'million		
Balance at 1 Jan 2015	2,188,645	(1,896,810)	309,050	3,198	604,083	9,418	613,501
Additional controlling interest from a new subsidiary	-	-	-	-	-	2,019	2,019
(Loss) profit for the year	-	(477,723)	-	-	(477,723)	(687)	(478,410)
Other comprehensive income for the year:							
- Net actuarial gain on post-employment benefits	-	3,794	-	-	3,794	96	3,890
- Foreign currency translation gain	-	-	-	14,575	14,575	1	14,576
	-	3,794	-	14,575	18,369	97	18,466
Total comprehensive income for the year	-	(473,929)	-	14,575	(459,354)	(590)	(459,944)
Balance at 31 Dec 2015	2,188,645	(2,370,739)	309,050	17,773	144,729	10,847	155,576
Balance at 1 Jan 2014	2,188,645	(1,868,263)	309,050	(605)	628,827	11,844	640,671
Profit (loss) for the year	-	4,863	-	-	4,863	(2,188)	2,675
Other comprehensive income for the year:							
- Net actuarial loss on post-employment benefits	-	(33,410)	-	-	(33,410)	(240)	(33,650)
- Foreign currency translation gain	-	-	-	3,803	3,803	2	3,805
	-	(33,410)	-	3,803	(29,607)	(238)	(29,845)
Total comprehensive income for the year	-	(28,547)	-	3,803	(24,744)	(2,426)	(27,170)
Balance at 31 Dec 2014	2,188,645	(1,896,810)	309,050	3,198	604,083	9,418	613,501

Company

	Attributable to owners of the Company		
	Share capital	Accumulated losses	Total
	Rp'million	Rp'million	Rp'million
Balance at 1 Jan 2015	2,188,645	(1,533,331)	655,314
Total comprehensive income for the year	-	(500,501)	(500,501)
Balance at 31 Dec 2015	2,188,645	(2,033,832)	154,813
Balance at 1 Jan 2014	2,188,645	(1,473,725)	714,920
Total comprehensive income for the year	-	(59,606)	(59,606)
Balance at 31 Dec 2014	2,188,645	(1,533,331)	655,314

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- 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 year ended 31 December 2015.

- 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.**

	<u>Number of shares</u>
At 31 December 2015 and 2014	<u>1,401,445,464</u>

There were no shares held as treasury shares as at 31 December 2015 and 2014.

- 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 2015 and 2014.

- 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 2015 and has applied the same accounting policies and methods of computation as those of the previous financial year ended 31 December 2014. 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 2015.

Consistent with the prior year's accounting policy, the Group appraises the fair value of its biological assets only at the end of the financial year.

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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.**

Please refer to point 4.

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	
	2015	2014
Weighted average number of ordinary shares for basic earnings per share computation	1,401,445,464	1,401,445,464
Weighted average number of ordinary shares for diluted earnings per share computation	1,401,445,464	1,401,445,464
	Rp (full amount)	Rp (full amount)
Earnings per share attributable to owners of the Company		
Basic and diluted	(341)	3

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 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Net assets for the year attributable to owners of the Company used in computation of net asset value per share (Rp'million)	144,729	604,083	154,813	655,314
Number of ordinary shares at the end of the year	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)	103	431	110	468

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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 loss of Rp478 billion in 2015 as compared to a net profit of Rp3 billion in 2014.

Our sales as a whole improved compared to those in 2014 but our results were mainly affected by higher production costs, operating expenses and interest expense, foreign exchange loss incurred of Rp90 billion and provision charges for intangible assets, inventories, doubtful receivables and advances as well as deferred tax assets totaling Rp163 billion.

Revenue

	Group		
	2015	2014	Change
	<i>Rp'million</i>	<i>Rp'million</i>	<i>%</i>
Domestic sales	2,204,531	2,343,452	(6)
Export sales	1,258,477	938,340	34
Total	3,463,008	3,281,792	6

Our export sales continued to perform well. Our export sales increased by 34% to Rp1,258 billion in 2015. The increase was mainly due to continue improvement in both sales volume (improved by 26%) and selling prices (improved by 6.7%). The composition of our export sales to overall sales rose from 29% to 36%.

The Group's domestic sales deteriorated in 2015 came mainly from lower sales volume. Owing to weaker economy conditions domestically, the demand for our products slow down. Our domestic average selling prices remain relatively stable, however the sales volume decreased by 4% in 2015.

Gross profit

Our gross profit decreased by 35% in 2015. This attributable mainly to significantly higher production costs. Production costs have increased owing mainly to increase in the log prices and direct material costs, increase in labour wages and other overheads costs such as depreciation of machinery and equipment, electricity charges. Overall, these costs increased by 13% and it outpaced the increase in the revenue. Our production volume has also slow down in 2015 compared to 2014 given the challenging market outlook, thus it contributes to higher unit production costs.

Other Income

Other income in 2015 came mainly from gain on disposal of property, plant and equipment of Rp3 billion as well as one-off insurance claims of Rp1 billion. In 2014, it comprises mainly a one-off insurance claim of Rp1 billion, gain on disposal of property, plant and equipment of Rp5 billion and gain in fair value changes in biological assets of Rp6 billion. In 2015, the Group reported a loss of Rp3 billion in fair value changes in biological assets.

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Selling expenses

The increase in the selling expenses came mainly from the increase in the freight costs, which was in line with the increase in the export activities. Freight costs increased by Rp13 billion compared to 2014.

General and administration (“G&A”) expenses

Our G&A expenses have increased over that of previous year due mainly to increase in staff costs and provision for pension costs. The component of these costs increased by Rp45 billion compared to 2014.

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. Total net loan obtained during 2015 amounted to Rp149 billion.

Other expenses

For the year ended 31 December 2015, the increase in other expenses came mainly from foreign exchange loss and provisions made for impairment of assets.

During the year, the Group incurred exchange loss of Rp90 billion. The strengthening of US dollar has resulted in mainly unrealised foreign exchange loss from translation of our US dollar denominated loans.

Due to deteriorating market outlooks, the Group impaired non-performing assets, charged out doubtful debts/advances and write down of inventories which are below its realisable value and slow moving. During the year, the Group made provisions for: impairment of intangible assets of Rp35 billion, irrecoverable advances to suppliers of Rp19 billion and doubtful receivables of Rp10 billion, and write-down of inventories amounted to Rp55 billion.

Taxation

Our tax expenses comprise the following:

	Group		
	2015	2014	Change
	<i>Rp'million</i>	<i>Rp'million</i>	<i>%</i>
Current income tax:			
- Current income taxation	(11,044)	(36,488)	(70)
- Under provision of prior years taxes	(1,180)	(2,933)	(60)
	<u>(12,224)</u>	<u>(39,421)</u>	<u>(69)</u>
Deferred income tax:			
- Current year addition	28,923	25,523	13
- Impairment during the year	(44,335)	-	n.m
	<u>(15,412)</u>	<u>25,523</u>	<u>n.m</u>
Total	<u>(27,636)</u>	<u>(13,898)</u>	<u>99</u>

Indonesia adopts individual company income tax system.

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Our effective tax rate was not aligned with statutory tax rate due mainly to certain expenses not deductible for tax purposes, losses of certain subsidiaries not recognized as deferred tax assets due to the uncertainty of its recovery and write down of deferred tax assets provided for previously.

(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 Rp17 billion. This was due mainly to depreciation charges incurred during the year more than offset the acquisition of new assets amounted to Rp87 billion.

During the year, the movement in biological assets came from cultivation expenditures of Rp3 billion in various estates and fair value loss in biological assets.

Deferred tax assets decreased by Rp28 billion. This was mainly due to write-down of deferred tax assets of a subsidiary which have not performed accordingly to expectation.

In 2015, our Group's current assets have decreased by Rp55 billion to Rp1,011 billion. The decrease was due mainly to:

- 1) write down of inventories value amounted to Rp28 billion;
- 2) lower advances to suppliers particularly for logs and veneer purchases. Total advances for this component decreased by Rp34 billion;
- 3) cash utilisation for operations – see explanation in cash flow.

the decrease in the above has more than offset the followings:

- 1) higher trade receivables. This came from higher export sales near the end of the reporting year;
- 2) increase in VAT receivables and prepayments. The increase in VAT receivables was mainly due to spending on capital expenditure and timing differences in the recovery of the VAT receivables. Prepayments were made in the ordinary course of business mainly for rental, insurance, purchase of fixed assets and income tax.

As at 31 December 2015, our Group's current liabilities have increased by Rp242 billion to Rp1,040 billion. This was contributed mainly by the:

- 1) increase in the trade and other payables of Rp81 billion which follow the changes in the normal business operating conditions;
- 2) increase in advance from export customers amounted to Rp12 billion;
- 3) increase in the short-term borrowings as well as long-term borrowings due within 12 months totaling Rp169 billion;
- 4) offsetted by the decrease in the other liabilities due mainly to the decrease in VAT payables as a result of lower domestic sales, which partially offsetted by the increase in accrual of salaries and related benefits costs due mainly to salary adjustments.

For the same year ended, the non-current liabilities have increased by Rp68 billion. This was mainly due to additional provision for post-employment benefits made during the year (increased by Rp23 billion) and increase in loans and borrowings from new loans drawdown and foreign exchange loss translation (net increased by Rp47 billion).

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Statement of Cash Flow

During the year, the Group generated cash inflow of Rp75 billion from financing activities and incurred outflow of Rp9 billion and Rp85 billion from operating and investing activities, respectively. Net cash decreased by Rp19 billion.

Our cash used in operations was lower than previous year. This attributable mainly to better debtors and inventories turnover as compared to 2014. Our operation did not generate cash during the year due mainly to lower gross profit attained.

Our cash used in the investing activities were mainly for acquisitions of property, plant and equipment and expenditure on trees planting and land use rights for our upstream activities.

Our cash flow in the financing activities relates mainly to net drawdown of additional loans. The repayments of bank borrowings and its interests were in accordance with the repayments schedule.

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 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 increasing 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 25% in Indonesia:

Indonesia Rupiah to US Dollar exchange rates	(Weakened) / strengthened	Loss after tax for the year: Rp478 billion (Increase) / decrease
<i>Rp'full amount</i>	%	<i>Rp'million</i>
14,830	(7.5)	(31,388)
14,485	(5.0)	(20,925)
14,140	(2.5)	(10,463)
13,450	2.5	10,463
13,105	5.0	20,925
12,760	7.5	31,388

Exchange rate:

	<u>Rp/US\$1</u>
- 29 February 2016	Rp13,395
- 31 December 2015	Rp13,795
- 31 December 2014	Rp12,440

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- 2) We continue experiencing increase in the wages and other overheads. We caution that inflationary costs pressure remains and we will monitor the situation and take further actions to mitigate the costs pressure and strive to remain competitive. The current tough business environment will affect our liquidity position. We are monitoring it closely and will exercise prudent cash management, consider raising additional funding and undertake certain cost cutting restructuring exercise in the near future.
- 3) Slow down and uncertainty in the Indonesian economy may affect the demand for our products locally. However, we expect the government and private spending on the infrastructure projects in Indonesia to spur the local economy and hence cushion the lower demand and are confident that we should be able to maintain our domestic sales. We expect our export sales to remain healthy. However, we caution that the weakening of currencies in certain export markets may adversely affect our export sales. We will strive to diversify our markets to reduce such risks.

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 year being reviewed.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding year 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 year ended 31 December 2015 has been declared.

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13. Interested person transactions.

The Company does not have a shareholders' mandate under Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited. The following is the aggregate value of all transactions with interested persons for the year ended 31 December 2015:

<i>Name of interested person</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 Pelayaran Nelly Dwi Putri <i>Freight expenses</i>	16,909	-
PT Wijaya Triutama Plywood Industri <i>Purchase of veneer</i>	12,580	-
PT Sampoerna Land <i>Office rental</i>	4,838	-
PT Wahana Sekar Agro <i>Cooperation for cultivation of trees</i>	864	-

Certain Sunarko family members are substantial shareholders of PT Pelayaran Nelly Dwi Putri Tbk (a listed company in Indonesia) and PT Wijaya Triutama Plywood Industri. They are also substantial shareholders and directors of the Company.

PT Sampoerna Land (formerly PT Buana Sakti) and PT Wahana Sekar Agro are controlled by the Sampoerna family, who are substantial shareholders of the Company.

14. Confirmation Pursuant to Rule 720(1) of the Listing Manual

Samko Timber Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

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PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. 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 2015	Group			
	SGS division	ST division	Elimination	Total
	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
Revenue:				
Sales to external customers	1,981,991	1,481,017	-	3,463,008
Inter-segment sales	1,376,513	-	(1,376,513)	-
Total revenue	<u>3,358,504</u>	<u>1,481,017</u>	<u>(1,376,513)</u>	<u>3,463,008</u>
Results:				
Finance income	494	51	-	544
Finance expense	(75,211)	(16,231)	-	(91,442)
Depreciation	(129,186)	(2,800)	-	(131,986)
Amortisation of land use rights	(3,905)	-	-	(3,905)
Amortisation of intangible assets	(263)	(729)	-	(992)
Loss on change in fair value of biological assets	(2,589)	-	-	(2,589)
Post employment benefits expenses	(47,135)	(942)	-	(48,077)
Impairment of goodwill	(3,723)	(31,192)	-	(34,915)
Inventory written-down	(54,609)	-	-	(54,609)
Tax expenses	(29,056)	1,420	-	(27,636)
Segment loss	<u>(435,575)</u>	<u>(42,835)</u>	<u>-</u>	<u>(478,410)</u>

Year end 31 December 2014	Group			
	SGS division	ST division	Elimination	Total
	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
Revenue:				
Sales to external customers	1,913,341	1,368,451	-	3,281,792
Inter-segment sales	1,252,756	-	(1,252,756)	-
Total revenue	<u>3,166,097</u>	<u>1,368,451</u>	<u>(1,252,756)</u>	<u>3,281,792</u>
Results:				
Finance income	589	62	-	651
Finance expense	(50,492)	(15,844)	-	(66,336)
Depreciation	(111,295)	(3,092)	-	(114,387)
Amortisation of land use rights	(4,252)	-	-	(4,252)
Amortisation of intangible assets	(1,309)	-	-	(1,309)
Gain on change in fair value of biological assets	5,530	-	-	5,530
Post employment benefits expenses	(34,434)	(1,582)	-	(36,016)
Inventory written-down	(1,352)	-	-	(1,352)
Tax expenses	(9,080)	(4,818)	-	(13,898)
Segment profit (loss)	<u>3,721</u>	<u>(1,046)</u>	<u>-</u>	<u>2,675</u>

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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.

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:

	Group	
	2015	2014
	<i>Rp'million</i>	<i>Rp'million</i>
Indonesia	2,015,968	2,156,341
North Asia	772,947	641,369
Malaysia	306,000	235,945
Singapore	176,004	123,570
United States of America	100,283	20,996
Europe	35,393	21,491
Middle East	23,771	48,667
South East Asia	10,006	17,406
Australia	14,662	9,889
Others	7,974	6,118
	<u>3,463,008</u>	<u>3,281,792</u>

16. 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

17. A breakdown of sales.

	Group		
	2015	2014	Change
	<i>Rp'million</i>	<i>Rp'million</i>	%
Revenue:			
- First quarter	805,533	810,678	-1%
- Second quarter	843,475	777,903	8%
- Third quarter	824,929	743,371	11%
- Fourth quarter	989,071	949,840	4%
	<u>3,463,008</u>	<u>3,281,792</u>	<u>6%</u>

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	Group		
	2015	2014	Change
	<i>Rp'million</i>	<i>Rp'million</i>	%
Operating (loss) profit after tax before deducting non-controlling interest:			
- First quarter	(49,078)	24,436	n.m
- Second quarter	(64,546)	(11,063)	483%
- Third quarter	(157,948)	(24,363)	548%
- Fourth quarter	(206,838)	13,665	n.m
	<u>(478,410)</u>	<u>2,675</u>	<u>n.m</u>

18. 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.

19. 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 2015 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
29 February 2016