

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

Unaudited Full Year Financial Statement and Dividend Announcement for the Year Ended 31/12/2012

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		
	2012	2011	Increase/ (decrease)
	Rp'million	Rp'million	%
Revenue	2,760,580	2,484,251	11%
Cost of sales	(2,276,560)	(2,078,255)	10%
Gross profit	484,020	405,996	19%
Other items of income			
Interest income	1,138	2,010	-43%
Other income	18,721	3,375	455%
Other items of expenses			
Selling expenses	(102,683)	(92,708)	11%
General & administrative expenses	(209,719)	(180,943)	16%
Financial expenses	(46,829)	(48,221)	-3%
Other expenses	(29,773)	(13,651)	118%
Profit before tax	114,875	75,858	51%
Tax expense	(31,118)	(24,343)	28%
Net profit for the year	83,757	51,515	63%
Other comprehensive income:			
Foreign currency translation gain	2,148	237	806%
Total comprehensive income for the year	85,905	51,752	66%
Net profit attributable to:			
Owners of the Company	83,059	51,235	62%
Non-controlling interests	698	280	149%
	83,757	51,515	63%
Total comprehensive income attributable to:			
Owners of the Company	85,207	51,472	66%
Non-controlling interests	698	280	149%
	85,905	51,752	66%

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

	Group		
	2012	2011	Increase/ (decrease)
	Rp'million	Rp'million	%
Gain on change in fair value of biological assets	9,177	524	1651%
Insurance claim received	7,070	-	n.m
Gain on sale of property, plant and equipment, net	1,375	1,176	17%
Acquisition costs incurred on new subsidiaries	(709)	-	n.m
Amortisation of intangible assets	(873)	-	n.m
Provision for doubtful receivables	(3,857)	(1,237)	212%
Amortisation of land use rights	(4,768)	(4,707)	1%
Interest expense	(44,072)	(48,221)	-9%
(Loss)/ gain on foreign exchange, net	(17,010)	1,675	n.m
Depreciation of property, plant and equipment	(99,359)	(93,948)	6%

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 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	Rp'million	Rp'million	Rp'million	Rp'million
Non-current assets				
Property, plant and equipment	663,142	639,465	14	123
Intangible assets	38,315	-	-	-
Investment in subsidiary companies	-	-	642,071	587,698
Investment in an associate*	-	-	-	-
Biological assets	56,876	9,170	-	-
Land use rights	57,966	59,951	-	-
Deferred tax assets	29,761	12,230	3,661	-
Other non-current assets	17,988	16,841	41	188
	864,048	737,657	645,787	588,009
Current assets				
Inventories	342,078	210,297	-	-
Trade and other receivables	127,539	85,728	67,784	71,868
Prepaid operating expenses	35,027	29,086	76	72
Advances to suppliers	72,741	121,256	-	-
Restricted time deposits	15,763	15,312	-	-
Cash and cash equivalents	90,350	95,028	1,487	756
	683,498	556,707	69,347	72,696
Current liabilities				
Trade and other payables	195,644	174,623	3,380	27
Other liabilities	94,550	65,649	2,384	4,429
Advances from customers	31,808	63,834	-	-
Provision for taxation	30,166	31,002	-	-
Loans and borrowings (current portion)	153,367	66,889	-	-
	505,535	401,997	5,764	4,456
Net current assets	177,963	154,710	63,583	68,240
Non-current liabilities				
Loans and borrowings	283,929	304,561	-	-
Post-employment benefits	91,340	68,249	-	-
Deferred tax liabilities	11,381	6,109	-	-
	386,650	378,919	-	-
Net assets	655,361	513,448	709,370	656,249
Equity attributable to owners of the Company				
Share capital	2,188,645	2,134,271	2,188,645	2,134,271
Accumulated losses	(1,850,868)	(1,933,927)	(1,479,275)	(1,478,022)
Other reserves	311,435	309,287	-	-
	649,212	509,631	709,370	656,249
Non-controlling interests	6,149	3,817	-	-
	655,361	513,448	709,370	656,249

*) Represents the Company's 31% investment in PT Sumalindo Lestari Jaya Tbk ("Sumalindo"). Full provision of impairment has been made for this investment. Subsequently in January 2013, our effective interest in Sumalindo is diluted from 31% to 24.6% following the completion of its debt to equity exercise.

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(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 2012		As at 31 December 2011	
Secured Rp'million	Unsecured Rp'million	Secured Rp'million	Unsecured Rp'million
153,367	-	66,889	-

Amount repayable after one year

As at 31 December 2012		As at 31 December 2011	
Secured Rp'million	Unsecured Rp'million	Secured Rp'million	Unsecured Rp'million
283,929*	-	304,561*	-

*) Includes a loan facility of up to S\$5,000,000 (2011: S\$3,000,000) and it carries an option which allow 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 2012, 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.

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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	
	2012	2011
	Rp'million	Rp'million
Cash flows from operating activities		
Profit before tax	114,875	75,858
Adjustments:		
Depreciation of property, plant and equipment	99,359	93,948
Interest expenses	44,072	48,221
Post employment benefits expense	22,951	15,133
Foreign exchange loss	15,815	463
Amortisation of land use rights	4,768	4,707
Provision for doubtful receivables	3,857	1,237
Amortisation of intangible assets	873	-
Gain on disposal of property, plant and equipment	(1,375)	(1,176)
Interest income	(1,138)	(2,010)
Gain on change in fair value of biological assets	(9,177)	(524)
	<u>294,880</u>	<u>235,857</u>
Operating cash flow before changes in working capital		
Changes in working capital		
Inventories	(131,686)	(42,387)
Trade and other receivables	(39,681)	(14,515)
Prepaid operating expenses	(2,664)	5,279
Advance to suppliers	22,392	(31,262)
Trade and other payable	21,021	7,881
Other liabilities	25,753	8,297
Advances from customers	(32,026)	(701)
Other non-current assets	(1,147)	8,014
	<u>156,842</u>	<u>176,463</u>
Cash flow provided by operations		
Income tax paid	(49,418)	(19,618)
	<u>107,424</u>	<u>156,845</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Purchase of property, plant, and equipment ¹	(120,819)	(80,018)
Additions of biological assets	(22,962)	(6,196)
Additions of land use rights	(2,783)	(1,976)
Net cash inflow on acquisition of subsidiaries ²	21,688	-
Capital contribution from Non-controlling interest	1,750	-
Interest received	1,138	2,010
Proceeds from disposal of property, plant and equipment	606	-
Payment of other non-current assets	-	(10,436)
	<u>(121,382)</u>	<u>(96,616)</u>
Net cash used in investing activities		

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	Group	
	2012	2011
	Rp'million	Rp'million
Cash flows from financing activities		
Drawdown of loans and borrowings	276,649	463,934
Repayment of loans and borrowings	(240,073)	(487,978)
Interest paid	(37,221)	(47,066)
Proceed from sale and lease back transactions - finance lease arrangements	9,925	25,778
Withdrawal of restricted deposits	-	20,524
Placement of restricted deposits	-	(15,338)
Net cash provided by/ (used in) financing activities	9,280	(40,146)
Net (decrease)/ increase in cash and cash equivalents	(4,678)	20,083
Cash and cash equivalents at beginning of year	95,028	74,945
Cash and cash equivalents at end of year	<u>90,350</u>	<u>95,028</u>

Notes:

- 1) Net of the advance payments made in prior period for the purchase of assets
- 2) Net cash inflow on acquisition of subsidiaries consisted of the followings:

	Recognised on the dates of acquisitions		
	Bioforest Pte Ltd	PT Cipta Graha Kreasindo	Total
	Rp'million	Rp'million	Rp'million
Property, plant and equipment	332	-	332
Intangible assets	2,652	-	2,652
Biological assets	15,567	-	15,567
Inventories	95	-	95
Receivables and prepayments	3,212	-	3,212
Cash and cash equivalents	21,652	103	21,755
	<u>43,510</u>	<u>103</u>	<u>43,613</u>
Other liabilities	(276)	-	(276)
Advance from customer	(23,147)	-	(23,147)
Provision for taxation	(28)	-	(28)
Post-employment benefits	(140)	-	(140)
Deferred tax liability	-	-	-
Minority Interests	139	-	139
	<u>(23,452)</u>	<u>-</u>	<u>(23,452)</u>
Net identifiable assets	<u>20,058</u>	<u>103</u>	<u>20,161</u>
Portion acquired by the Group	<u>100%</u>	<u>65%</u>	

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	<u>Recognised on the dates of acquisitions</u>		
	<u>Bioforest Pte Ltd</u>	<u>PT Cipta</u>	
		<u>Kreasindo</u>	<u>Total</u>
	<u>Rp'million</u>	<u>Rp'million</u>	<u>Rp'million</u>
Net identifiable assets acquired	20,058	67	20,125
Intangible assets arising on acquisition, net	<u>34,316</u>	<u>-</u>	<u>34,316</u>
Total consideration	<u>54,374</u>	<u>67</u>	<u>54,441</u>
Consideration for acquisitions:			
Issued 54,201,621 ordinary shares of the Company	54,374	-	54,374
Cash paid	-	67	67
Less: non cash transaction	<u>(54,374)</u>	<u>-</u>	<u>(54,374)</u>
Consideration settle in cash	-	67	67
Less: cash and cash equivalent of subsidiaries acquired	<u>(21,652)</u>	<u>(103)</u>	<u>(21,755)</u>
Net cash inflow on acquisitions	<u>21,652</u>	<u>36</u>	<u>21,688</u>

As reported in 2Q 2012, the Group completed its acquisition of the entire equity of Bioforest Private Limited for the consideration of Rp22 billion. The purchase consideration was satisfied by the issuance of new shares of the Company totalling 54,201,621 shares. As at the date of this reporting, the amount of assets and liabilities of Bioforest Private Limited have been consolidated with the Group but they were provisional as the Group is in the process of determining its fair value on each component basis.

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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 ("NCI") Rp'million	
	Equity, total	Share capital	Accumulated losses	Restructuring reserves	Foreign currency translation reserve		
	Rp'million	Rp'million	Rp'million	Rp'million	Rp million		
Balance at 1 January 2012	513,448	2,134,271	(1,933,927)	309,050	237	509,631	3,817
Issue 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 gain allocated to NCI	23	-	-	-	-	-	23
Total comprehensive income for the year	85,905	-	83,059	-	2,148	85,207	698
Balance at 31 December 2012	655,361	2,188,645	(1,850,868)	309,050	2,385	649,212	6,149
Balance at 1 January 2011	461,251	2,134,271	(1,985,162)	309,050	-	458,159	3,092
Additional non-controlling interest from a new subsidiary	445	-	-	-	-	-	445
Total comprehensive income for the year	51,752	-	51,235	-	237	51,472	280
Balance at 31 December 2011	513,448	2,134,271	(1,933,927)	309,050	237	509,631	3,817

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 - loss	-	(1,253)	(1,253)
Balance at 31 December 2012	2,188,645	(1,479,275)	709,370
Balance at 1 January 2011	2,134,271	(1,463,551)	670,720
Total comprehensive income for the year - loss	-	(14,471)	(14,471)
Balance at 31 December 2011	2,134,271	(1,478,022)	656,249

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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.**

Except as disclosed in point 1(d)(iii) below, there is no change in the Company's shares during the year ended 31 December 2012.

- 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 2011	1,347,243,843
Addition:	
Issue of shares as consideration for acquisition of Bioforest Private Limited	54,201,621
At 31 December 2012	<u>1,401,445,464</u>

There were no shares held as treasury shares as at 31 December 2012 and 31 December 2011.

- 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 2012 and 31 December 2011.

- 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.

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

Except for the adoption of the new and revised accounting standards which came into effect from the financial year beginning 1 January 2012, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2011. 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 2012.

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

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	
	2012	2011
Weighted average number of ordinary shares for basic earnings per share computation	1,377,240,357	1,347,243,843
Weighted average number of ordinary shares for diluted earnings per share computation	1,377,240,357	1,347,243,843
	Rp (full amount)	Rp (full amount)
Earnings per share attributable to owners of the Company		
Basic	60	38
Diluted	60	38

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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 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Net assets for the year attributable to owners of the Company used in computation of net asset value per share (Rp'million)	649,212	509,631	709,370	656,249
Number of ordinary shares at the end of the period	1,401,445,464	1,347,243,843	1,401,445,464	1,347,243,843
Net asset value per ordinary share (Rp full amount)	463	378	506	487

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's net profit increased 63% to Rp84 billion in 2012. This attributable mainly to strong domestic and export sales and better pricing achieved for our products. Our sales hit Rp2,761 billion in 2012, surged by 11% and our gross profit grew 19% to Rp484 billion in 2012.

Revenue

	Group		
	2012	2011	Increase/ (decrease)
	Rp'million	Rp'million	%
Domestic sales	2,134,879	1,942,282	10%
Export sales	625,701	541,969	15%
Total	2,760,580	2,484,251	11%

The local housing and construction projects remain relatively strong in 2012 and this has supported our domestic sales strongly. Our sales volume and selling prices improved respectively by 4% and 6 % and our total domestic sales improved by 10% to Rp2.1 trillion in 2012.

On the export front, our total sales volume for 2012 remains almost the same as compared to that of 2011. However, the total export sales value improved by 15% in 2012 due mainly to high value products sold and the stronger US\$ exchange rate against IDR.

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Cost of sales

	Group		
	2012	2011	Increase/ (decrease)
	Rp'million	Rp'million	%
Raw material used	1,230,173	1,140,240	8%
Labour costs	470,042	395,434	19%
Factory overhead	623,056	516,063	21%
Movement in finished goods	(46,711)	26,518	n.m
Total	2,276,560	2,078,255	10%

Our raw materials used 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 production costs in 2012 was lower than that of the sales revenue. This owed mainly to lower average production costs as the production volume increased.

Gross profit

Our gross profit has improved by 19% in 2012. The improvement was attributable mainly to the increase in the domestic sales volume and overall better selling prices of our products. Export sales generally has higher margin.

Other income

The other income for 2012 includes one off fire insurance claim of net Rp7 billion for our factory in Jambi and gain arising from the valuation of biological assets amounted to Rp9 billion, compared to the Other Income for 2011 which relates mainly to an exchange gain of Rp2 billion and a gain on disposal of assets of Rp1 billion. For 2012, the Group reported an exchange loss – see discussion in other charges.

Selling expenses

Our selling expenses increased by 11% in 2012 and this were mainly due to the increase in freight charges and other selling expenses such as advertising and promotional activities expenses.

General and administration (“G&A”) expenses

Our G&A expenses have increased by 16% over that of the previous year. The Group’s business activities expanded therefore expenses have generally increased. In addition, the Group incurred one off expenses in relation to the acquisition of Bioforest Private Limited as announced on 2 April 2012.

Finance expenses

In 2011, we accounted for one off finance cost of US\$1.9 million. Excluding this item, our finance expenses in 2012 were higher compared to that of the previous year. The increase was mainly due to higher component of Rupiah denominated loans (versus US dollars denominated loans) (the Group refinanced the loans in last quarter of 2011) and new working capital loans being drawn down in 2012.

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Rupiah denominated loans attract higher interest rate compared to US dollars denominated loans.

Other expenses

The Group reported foreign exchange loss of Rp17 billion in 2012 versus foreign exchange gain of Rp2 billion in 2011. Rupiah has weakened against US dollars in 2012 whereas it was the reverse in 2011. The weakening of Rupiah will generally result in the Group incurring exchange loss due to the translation of its US dollars denominated loans.

Besides the foreign exchange effect, in 2012, we also made a provision for doubtful receivables of Rp4 billion.

Taxation

Our tax expenses comprise the following:

	Group		
	2012	2011	Increase/ (decrease)
	Rp'million	Rp'million	%
Current income tax	(45,131)	(31,310)	44%
Deferred income tax	14,307	6,967	105%
Under provision of prior years taxes	(294)	-	n.m
Total	<u>(31,118)</u>	<u>(24,343)</u>	<u>28%</u>

Indonesia adopts individual company income tax system.

Our effective tax rate was lower in this year due to contribution from our Singapore subsidiary, utilisation of tax losses by certain subsidiaries in 2012 and the absence of certain expenses not deductible for tax purposes.

(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 non-current assets have increased by Rp126 billion compared to that of 31 December 2011. This was due mainly to 1) increase in the purchase of fixed assets of Rp121 billion (more than offset the depreciation expense of Rp99 billion), 2) spending on trees plantation (upstream activities) and the fair value gain adjustment of Rp48 billion and 3) the completion of acquisition of Bioforest Private Limited where it contributed non-current assets of Rp55 billion (mainly biological and intangible assets).

For the year ended, our current assets have increased by Rp127 billion to Rp684 billion. The increase was due mainly to:

- 1) relative higher inventories level for raw material, work-in progress stocks and finished goods as our production and sales volume grew
- 2) higher trade receivables reported in line with higher sales revenue in 2012
- 3) the above were offset by the decrease in advances to suppliers in 2012.

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Our Group's current liabilities have increased by Rp104 billion to Rp506 billion as at 31 December 2012. This was contributed mainly by:

- 1) higher proportionate long-term loans due for payment within the next 12 months as well as drew down of additional loans in 2012
- 2) increase in trade and other payables and other liabilities as a result of increased in operating activities. Other liabilities comprise mainly accrual of operating expenses and value added tax ("VAT") payable. The increase in other liabilities was attributed mainly to accrual of staff salary, wages, freight and VAT, in line with the increase in operating activities as well as due to timing differences in the payment cycle
- 3) The above were offset by decrease in advances from customers in 2012

Overall, our Group's net working capital position improved by Rp23 billion due mainly to our operating income and better working capital management.

Statement of Cash Flow

During the year, we generated Rp107 billion from our operations, incurred net cash outflow of Rp121 billion from our investing activities and net cash inflow of Rp9 billion from financing activities. Net cash decreased by Rp5 billion.

Our cash generated from operating activities decreased by Rp49 billion over that of the previous year. This was due mainly to 1) higher working capital required to maintain the level of inventories as we expand downstream and the increasing sales activities and 2) the Group paid more tax as overall profit has improved and generally it also has higher tax installment payment in 2012 (in line with the improvement in the performance of the operating entities).

Our cash used in the investing activities has increased due mainly to higher acquisitions of fixed assets and expenditure on trees planting for our upstream activities.

During the year, our cash outflow in the financing activities relates mainly to repayments of bank borrowings and its interests, offset against additional drawdown of loans.

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

Not applicable.

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- 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.**

Domestic consumption, housing and construction projects are expected to remain strong in 2013 and our local sales are therefore expected to remain stable or improve. However, the global economy remains volatile and any prolong adverse effect may impact the Indonesian economy thus affecting the demand for our products. Our current export market is mainly to North Asia, in particular Japan. The volatility in global economy, keen competition and the Japan's new monetary and fiscal policies will have an impact to the demand of our products. We cautious on the impending increase in the labour costs in 2003 following the implementation of minimum wages requirement in Indonesia. The move will put some pressure to our products margin. The unpredictable severe flood situation like the recent incident in Jakarta and its surrounding will also affect the business supply chain and our production. We are monitoring above mentioned factors and will do the necessary to mitigate the impact and strive to remain competitive.

We will continue to explore, develop and be innovative in our products and manage our production efficiency. Our strategies remain that of expanding downstream and embark on our own tree planting activities (upstream) which we believe in the long-term, will minimise the impact of costs rising while maintaining a healthy margin.

- 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/recommendeded, a statement to that effect.**

No dividend for financial period ended 31 December 2012 has been declared.

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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 Dec 2012	
	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)	21,478	-
Bioforest Private Limited * Installments for the purchase of trees (Transaction was entered into between parties prior to the IPO of the Company's shares)	2,030	-
PT Wahana Sekar Agro Cooperation for cultivation of trees	10,024	-
PT Buana Sakti Office rental	3,067	-
PT National Sago Prima Construction of houses	675	-
Bioforest Private Limited Acquisition of Bioforest Private Limited as announced on 2 April 2012.	17,541	-

*) Following the completion of our acquisition on Bioforest Private Limited on 12 June 2012, this entity is not regarded as an Interested Person to the Group with effect from the completion date.

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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 2012	<u>SGS division</u> <u>Rp Million</u>	<u>ST division</u> <u>Rp Million</u>	<u>Elimination</u> <u>Rp Million</u>	<u>Total</u> <u>Rp Million</u>
Revenue:				
Sales to external customers	2,028,686	732,144	-	2,760,580
Inter-segment sales	645,489	-	(645,489)	-
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
Year ended 31 December 2011	<u>SGS division</u> <u>Rp'million</u>	<u>ST division</u> <u>Rp'million</u>	<u>Elimination</u> <u>Rp'million</u>	<u>Total</u> <u>Rp'million</u>
Revenue:				
Sales to external customers	1,880,714	603,537	-	2,484,251
Inter-segment sales	513,480	-	(513,480)	-
Total revenue	2,394,194	603,537	(513,480)	2,484,251
Results:				
Segment results	126,304	21,097	(682)	146,719
Finance income	1,574	436	-	2,010
Other income	2,400	1,310	-	3,710
Finance expense	(43,760)	(4,428)	-	(48,188)
Other expense	(13,105)	(817)	-	(13,922)
Profit before tax	73,413	17,598	(682)	90,329
Taxation	(21,165)	(3,178)	-	(24,343)
	52,248	14,420	(682)	65,986
Other unallocated expenses				(14,471)
Profit for the year				51,515

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.

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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	
	2012 Rp'million	2011 Rp'million
Indonesia	2,092,892	1,884,444
North Asia	566,510	462,174
Singapore	36,121	54,031
United States of America	20,576	11,296
Malaysia	19,202	40,781
Timor Leste	10,545	8,938
Others	14,734	22,587
	<u>2,760,580</u>	<u>2,484,251</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		
	2012 Rp'million	2011 Rp'million	Increase/ (decrease) %
Revenue:			
- First quarter	686,750	596,256	15%
- Second quarter	673,146	586,833	15%
- Third quarter	645,151	614,012	5%
- Fourth quarter	755,533	687,150	10%
	<u>2,760,580</u>	<u>2,484,251</u>	<u>11%</u>
Operating profit after tax before deducting non-controlling interest:			
- First quarter	27,206	11,353	140%
- Second quarter	23,744	19,013	25%
- Third quarter	10,160	10,247	-1%
- Fourth quarter	22,647	10,902	108%
	<u>83,757</u>	<u>51,515</u>	<u>63%</u>

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- 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 2012 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
27 February 2013