

# SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

## Audited Full Year Financial Statement And Dividend Announcement for the Year Ended 31/12/2007

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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

#### Consolidated Income Statement for the year ended 31 December 2007<sup>1)</sup>

	<u>2007</u>	<u>2006</u>	<u>Inc/(Dec)</u>
	<u>Rp million</u>	<u>Rp million</u>	<u>%</u>
Revenue	2,315,118	1,602,047	44.5%
Cost of sales	(1,852,275)	(1,256,190)	47.5%
<b>Gross profit</b>	<b>462,843</b>	<b>345,857</b>	<b>33.8%</b>
<b>Other items of income</b>			
Finance income	5,950	8,238	(27.8%)
Other income	35,960	56,843	(36.7%)
<b>Other items of expense</b>			
Selling expenses	(114,193)	(109,248)	4.5%
General and administrative expenses	(154,190)	(85,638)	80.0%
Finance expense	(142,451)	(103,423)	37.7%
Other expense	(52,767)	(28,408)	85.7%
Share of results in associate	27,736	10,241	170.8%
<b>Profit before tax</b>	<b>68,888</b>	<b>94,462</b>	<b>(27.1%)</b>
Taxation	(13,481)	(40,792)	(67.0%)
<b>Profit for the year</b>	<b>55,407</b>	<b>53,670</b>	<b>3.2%</b>
<b>Attributable to:</b>			
Equity holders of the parent	47,118	54,188	(13.0%)
Minority interests	8,289	(518)	n.m. <sup>2)</sup>
	<u>55,407</u>	<u>53,670</u>	<u>3.2%</u>

#### Notes:

- 1) The consolidated report of the Group includes PT. Sumalindo Lestari Jaya ("Sumalindo") accounts for the last 4 months after the acquisition. Sumalindo was consolidated commencing on 29 August 2007.
- 2) n.m. means not meaningful

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

### Balance Sheet as at 31 December 2007<sup>1)</sup>

	Group		Company	
	2007	2006	2007	2006
	Rp million	Rp million	Rp million	Rp million
<b>Non-current assets</b>				
Property, plant and equipment	1,877,722	769,484	534	-
Intangible assets	41,655	-	-	-
Goodwill	841,103	125	-	-
Investment in associate	-	254,456	1,290,693	478,740
Biological assets	412,403	2,379	-	-
Available for sale financial assets	-	9,278	-	-
Land use rights	66,197	15,580	-	-
Deferred tax assets	181,548	62,239	-	-
Sinking fund	-	30,000	-	-
Other non-current assets	52,171	27,131	-	-
	<u>3,472,799</u>	<u>1,170,672</u>	<u>1,291,227</u>	<u>478,740</u>
<b>Current assets</b>				
Inventories	582,605	216,921		
Trade and other receivables	158,566	88,483	256,798	-
Prepaid operating expenses	160,814	52,612	16,988	-
Advances to suppliers	186,031	153,985	41	-
Derivative financial instruments	-	859	-	-
Cash and cash equivalents	172,867	164,162	10,278	165
	<u>1,260,883</u>	<u>677,022</u>	<u>284,105</u>	<u>165</u>
<b>Current liabilities</b>				
Trade and other payable	236,264	233,030	3,683	29
Other liabilities	226,949	66,980	-	-
Derivatives financial instruments	1,269	-	-	-
Provision for taxation	40,323	25,230	-	-
Short term bank borrowings	324,917	131,452	-	-
Long term borrowings (current portion)	288,807	156,454	-	-
	<u>1,118,529</u>	<u>613,146</u>	<u>3,683</u>	<u>29</u>
<b>Net current assets</b>	<u>142,354</u>	<u>63,876</u>	<u>280,422</u>	<u>136</u>

#### Notes:

- 1) The consolidated report of the Group includes Sumalindo accounts for the last 4 months after the acquisition. Sumalindo was consolidated commencing on 29 August 2007.

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## Balance Sheet as at 31 December 2007 (cont'd)

	Group		Company	
	2007	2006	2007	2006
	Rp million	Rp million	Rp million	Rp million
<b>Non-current liabilities</b>				
Long term borrowings	1,322,874	465,515	310,827	-
Post-employment benefits	44,894	20,804	-	-
Deferred tax liabilities	132,331	166,680	-	-
Decommissioning liabilities	-	110	-	-
Other liabilities	202,860	-	-	-
	1,702,959	653,109	310,827	-
<b>Net assets</b>	1,912,194	581,439	1,260,822	478,876
<b>Equity attributable to equity holders of the parent</b>				
Share capital	1,269,167	475,840	1,269,167	475,840
Reserves	238,442	50,301	(8,345)	3,036
	1,507,609	526,141	1,260,822	478,876
<b>Minority interests</b>	404,585	55,298	-	-
	1,912,194	581,439	1,260,822	478,876

The consolidated income statement and balance sheet of the Group includes Sumalindo's last four months result where the Group acquires Sumalindo's shares in 29 August 2007.

### (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 2007 Rp million		As at 31 December 2006 Rp million	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
606,604	7,120	281,740	6,166

#### Amount repayable after one year

As at 31 December 2007 Rp million		As at 31 December 2006 Rp million	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
1,322,874	-	458,394	7,121

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## **Details of any collateral**

Our bank borrowings are secured and guaranteed by the following:

- (1) Short term working capital facilities: corporate guarantees, pledge on asset, accounts receivable, subsidiaries' inventories and fixed assets of the Group and personal guarantees, fixed assets and deposits from two directors and a relative of such directors;
- (2) Long term bank borrowings: corporate guarantees, land, buildings, inventories and machineries of the Group;
- (3) All assets acquired under finance leases are secured against the assets under lease.

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

## Consolidated Statement of Cash Flows For the financial year ended 31 December 2007<sup>1)</sup>

	Year Ended	
	31 December 2007	31 December 2006
	Rp million	Rp million
<b>Cash flows from operating activities</b>		
Profit before tax	68,888	94,462
Adjustments:		
Depreciation of property, plant and equipment	109,817	81,871
Unrealised exchange losses	12,748	880
(Gain) / Loss on change in fair value of biological assets	(24,825)	26
Amortisation of land use rights	4,379	1,145
(Gain) / Loss on disposal of property, plant and equipment	107	(19)
Share of results in associate	(27,736)	(10,241)
Interest expense	142,451	103,423
Interest income	(5,950)	(8,238)
Amortization of deferred losses on sales and lease back	704	4,316
Impairment of goodwill	-	2
Gain on dilution of interest in an associate	(9,139)	(25,502)
Post employment benefits expense	13,052	5,094
Loss on disposal of available for sale financial assets	2,000	-
<b>Operating cash flow before changes in working capital</b>	<b>286,496</b>	<b>247,219</b>
<b>Changes in working capital</b>		
Inventories	(91,832)	(83,420)
Trade and other receivables	(266,225)	37,602
Prepayments	54,233	(24,334)
Advance to suppliers	8,078	(113,790)
Trade and other payable	(144,808)	(9,127)
Other liabilities	413,165	16,425
Other non-current assets	(88,836)	(4,202)
<b>Cash flow provided by operations</b>	<b>170,271</b>	<b>66,373</b>
Payment of post employee benefits liabilities	(5,365)	(127)
Income tax paid	(35,286)	(27,496)
<b>Net cash provided by operating activities</b>	<b>129,620</b>	<b>38,750</b>

### Notes:

- 1) The consolidated report of the Group includes Sumalindo accounts for the last 4 months after the acquisition. Sumalindo was consolidated commencing on 29 August 2007.

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## Consolidated Statement of Cash Flows For the financial year ended 31 December 2007 (cont'd)

	Year ended	
	31 December 2007 Rp million	31 December 2006 Rp million
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries, net of cash acquired	(693,018)	-
Proceeds from disposal of available for sale financial assets	9,278	-
Acquisition of subsidiaries under common control	(7,800)	(326,500)
Investment in an associate	(46,891)	(46,891)
Interest received	5,950	6,387
Additions to land use rights	(18,026)	(4,875)
Purchase of property, plant, and equipment	(456,656)	(132,799)
Proceeds from disposal of property, plant and equipment	91,926	7,054
<b>Net cash used in investing activities</b>	<b>(1,115,237)</b>	<b>(497,624)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	793,327	475,840
Payment of bonds payable	(100,000)	-
Proceeds/ (repayments) of short term bank loans	193,465	(49,822)
Repayment of long-term loans	(200,808)	(140,752)
Proceeds from long-term loans	450,094	351,827
Interest expense paid	(141,756)	(47,590)
Increase in pledge deposit	-	(10,544)
<b>Net cash provided by financing activities</b>	<b>994,322</b>	<b>578,959</b>
Net increase in cash and cash equivalents	8,705	120,085
Cash and cash equivalents at beginning of year	164,162	44,077
Cash and cash equivalents at end of year	172,867	164,162

### Additional information related to the acquisition of Sumalindo

In June 2007, PT Sumber Graha Sejahtera ("SGS") acquired additional 1.09% interest in PT Sumalindo Lestari Jaya Tbk by purchase of issued warrant at the purchase consideration of Rp 46,891 million.

Subsequently, in August 2007, SGS acquired additional 21.44% interest in the issued share capital of Sumalindo through the Jakarta Stock Exchange, at the purchase consideration of Rp 791,242 million. Following this acquisition, SGS ownership in Sumalindo increased to 52.03%.

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The carrying value of the identifiable assets and liabilities of Sumalindo, as at the date of acquisition were:

	<u>Rp million</u>
Property, plant and equipment	853,432
Biological assets	369,012
Deferred tax asset	100,241
Land use rights	36,970
Other non current asset	47,365
Cash and cash equivalents	98,224
Trade and other receivables	60,744
Inventories	279,733
Prepayments	17,663
Advance to suppliers	66,682
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Total assets	1,930,066
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Trade and other payable	114,278
Obligation under capital lease	45,867
Taxes payable	1,710
Other liabilities	38,359
Short term bank loan	103,510
Long term borrowing (current portion)	59,845
Long term borrowing	724,366
Post-employment benefits	16,403
Deferred tax liabilities	89,940
Obligation under capital lease	59,386
Other non current liabilities	3,970
Minority interest in subsidiary	33,282
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Total liabilities	1,290,916
	<hr/>
Net assets	639,150
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Portion acquired by the Company (21.44% of net assets)	137,062
Goodwill arising on acquisition	654,180
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Total consideration	791,242
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The total cost of the combination was Rp 791,242 million, and was fully paid in cash.

	<u>Rp million</u>
Cash outflow on acquisition :	
Net cash acquired with the subsidiary company	98,224
Cash paid	(791,242)
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Net cash outflow	(693,018)
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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.

## Statements of Changes in Equity For the Year Ended 31 December 2007

### Group

	Attributable to equity holders of the Parent				Minority	Total
	Share	Restructuring	Accumulated	Equity	Interests	Equity
	Capital	reserves	losses	attributable		
				to equity		
				holders		
				of the parent,		
				total		
	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million
Balance at 1 January 2006	436,865	(18,317)	(171,914)	246,634	56,120	302,754
Adjustment arising from the restructuring exercise	(436,865)	186,344	-	(250,521)	(304)	(250,825)
Issuance of ordinary shares	475,840	-	-	475,840	-	475,840
Profit for the year, representing total recognised income for the year	-	-	54,188	54,188	(518)	53,670
<b>Balance at 31 December 2006</b>	<b>475,840</b>	<b>168,027</b>	<b>(117,726)</b>	<b>526,141</b>	<b>55,298</b>	<b>581,439</b>
Balance at 1 January 2007	475,840	168,027	(117,726)	526,141	55,298	581,439
Additional paid-up capital of the Company	793,327	-	-	793,327	-	793,327
Minority interest on acquisition of subsidiary	-	-	-	-	340,998	340,998
Adjustment arising from the restructuring exercise	-	141,023	-	141,023	-	141,023
Profit for the year, representing total recognised income for the year	-	-	47,118	47,118	8,289	55,407
<b>Balance at 31 December 2007</b>	<b>1,269,167</b>	<b>309,050</b>	<b>(70,608)</b>	<b>1,507,609</b>	<b>404,585</b>	<b>1,912,194</b>



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## Company

	Attributable to equity holders of the Parent			
	Share Capital	Restructuring reserves	Accumulated losses	Total Equity
	Rp million	Rp million	Rp million	Rp million
Balance at 1 January 2006	436,865	-	-	436,865
Adjustment arising from the restructuring exercise	(436,865)	-	-	(436,865)
Issuance of ordinary shares	475,840	-	-	475,840
Profit for the year, representing total recognised income for the year	-	-	3,036	3,036
<b>Balance at 31 December 2006</b>	<b>475,840</b>	<b>-</b>	<b>3,036</b>	<b>478,876</b>
Balance at 1 January 2007	475,840	-	3,036	478,876
Additional paid-up capital of the Company	793,327	-	-	793,327
Profit for the year, representing total recognised income for the year	-	-	(11,381)	(11,381)
<b>Balance at 31 December 2007</b>	<b>1,269,167</b>	<b>-</b>	<b>(8,345)</b>	<b>1,260,822</b>

- 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.

	Group and company 2007
	Number of shares
Balance at beginning of the year	100,000,000
Additional paid-in capital of the Company	14,103,986
Total shares	114,103,986
Share split 1:6	684,623,916
Balance at the end of the year	684,623,916

Subsequent to the reviewed period, we have completed the Company's IPO on the Singapore Stock Exchange on 25 February 2008 where we issued 183,000,000 new

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shares to the public, an additional 27,941,646 shares from option exercise by Sampoerna Forestry Ltd and 2,597,000 shares for public over-allotment portion.

- 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.**

	Company	
	2007 Actual	2006 Actual
Total number of issued shares excluding treasury shares	684,623,916	600,000,000

- 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.**

There are no treasury shares as at the end of the current financial period reported.

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

The financial report have been audited in accordance with the Singapore Financial Reporting Standards.

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

The figures have been audited and the Auditors' report is attached.

- 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 issuer have applied the same accounting policies and methods of computation as in its most recently audited financial statements (FY2006 and FY2007).

- 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.**

There are no changes in the accounting policy and methods of computation.

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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	
	2007 Shares	2006 Shares
Weighted average number of ordinary shares for basic earnings per share computation	628,748,947	600,000,000
Weighted average number of ordinary shares for diluted earnings per share computation	629,709,697	600,000,000
	<u>Rp</u>	<u>Rp</u>
<b>Earnings per ordinary share – basic and diluted</b>	<u>75</u>	<u>90</u>

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	
	2007 Rp million	2006 Rp million
Net asset for the period attributable to ordinary equity holders of the Company used in computation of net asset value per share	1,507,609	526,141
	<u>Number of shares</u>	<u>Number of shares</u>
Number of ordinary shares at the end of financial year.	684,623,916	600,000,000
	<u>Rp</u>	<u>Rp</u>
Net asset value per ordinary share	<u>2,202</u>	<u>877</u>

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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

## Revenue

Our revenue increased by 44.5% to Rp2,315 billion in 2007 from Rp1,602 billion in 2006 primarily as a result of a significant increase in our sales in the domestic market and the additional 4 months results of a new subsidiary, Sumalindo. Our revenue also increased as a result of an increase in the average selling prices of our products in line with the general price increases in the industry.

	Group	
	2007	2006
	Rp million	Rp million
Domestic sales	1,543,083	947,251
Export sales	772,035	654,796
	<u>2,315,118</u>	<u>1,602,047</u>

## Cost of Sales

	Year Ended December 31	
	2007	2006
	Rp million	Rp million
Raw materials used	1,099,838	699,412
Factory overheads	609,740	407,904
Labor costs	255,828	165,272
Movement in finished goods	(113,132)	(16,339)
Cost of sales	<u>1,852,275</u>	<u>1,256,190</u>

### *Raw materials used*

Our raw materials used comprise of cost of logs purchased from third parties which typically includes cost of transportation to our processing plants, reforestation fees, cost of veneer purchased from third parties and logging costs.

This raw material cost has increased by 57.3% to Rp1,100 billion in 2007 from Rp699 billion in 2006, in line with our increase in volume of sales and the inclusion of Sumalindo's 4 months result. Raw material cost as a percentage of our cost of sales also increased to 59.4% in 2007 from 55.7% in 2006 due to the increase in log prices.

### *Factory overheads*

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Our factory overheads consist of chemical glues (including cost of production of chemical glues at our factory and third party purchases), energy costs for operation of our processing plants, ancillary raw materials, depreciation of our production facilities, spare parts and other costs relating to production.

Our factory overheads increased by 49.5% to Rp610 billion in 2007 from Rp408 billion in 2006 in line with the increase in production. Factory overhead cost as a percentage of our cost of sales was 32.9% and 32.5% in 2007 and 2006, respectively. Our depreciation expense in 2007 was Rp120 billion compared to Rp82 billion in 2006, an increase resulting from our increased capital expenditure for capacity expansion in 2006 and 2007 and consolidation of Sumalindo's assets commencing August 2007.

## *Labor costs*

Our cost of direct labor increased by 53.8% to Rp256 billion in 2007 from Rp166 billion in 2006. This was a result of the increase in the number of employees, the wages of our employees and the Sumalindo consolidation. Our Labor costs represented 11.1% and 10.3% of our total cost of sales in 2007 and 2006, respectively.

## **Gross Profit**

Our gross profits increased by 33.8% to Rp463 billion in 2007 from Rp346 billion in 2006. As a percentage of sales however, our gross margin declined to 20.0% in 2007 from 21.6% in 2006 due to the negative margin experienced by one of our subsidiary PT Putra Sumber Utama Timber ("PSUT") in 2007. PSUT's negative margin was partly due to the transition process to full plantation logs input and shut-down of the facility for about one month during the Lebaran holiday period for the purpose of overhauling its power generator. The negative margin was largely offset by the increase in our operation in the local market and the 4 month consolidation of Sumalindo.

## **Profit Before Tax**

Our profit before tax decreased by 27.1% to Rp69 billion in 2007 from Rp94 billion in 2006. The decrease in our profit before tax was mainly due to the increase in our non operating expenses:

### **1) Other Income / Expense - net**

On the net basis our other income / expense decreased from an income of Rp28 billion in 2006 to an expense of Rp17 billion in 2007 due primarily to an exchange gain in 2006 of Rp23 billion against an exchange loss in 2007 of Rp43 billion.

### **2) General and Administration Expense**

Our general and administration expenses increased by 80.0% to Rp154 billion in 2007 from Rp86 billion in 2006 due to the increase in headcount in our head office, 4 month effect of Sumalindo consolidation and R&D related cost to support our business expansion. As percentage of sales, the G&A expense is accounted for 6.7% in 2007 as compared to 5.3% in 2006.

### **3) Finance Expense**

Our finance expense increased by almost 38.0% to Rp142 billion in 2007 from Rp103 billion in 2006 due to the increase in bank borrowings in Samko and the Sumalindo consolidation.

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## 4) Share of Results in Associate

Our share of results in associate increased by 170.8% to Rp28 billion in 2007 from Rp10 billion in 2006 due to an increase in Sumalindo's profits. The increase in Sumalindo's profits was mainly due to a decrease in energy costs as result of the utilization of coal-fired power plant commencing April 2007.

### Taxation

Our tax expense consists of the following:

	<u>2007</u> Rp million	<u>2006</u> Rp million	<u>Explanation</u>
<b>Income Tax</b>			
Current income tax	55,664	32,976	Due to increase in profitability in Sumalindo and SGS.
Deferred income tax	(46,933)	7,816	Due to increase in the losses in PSUT.
Under provision of prior years taxes	4,750	-	Additional tax assessment
<b>Total</b>	<u>13,481</u>	<u>40,792</u>	

Indonesia adopts individual company income tax system.

### Earnings

The key factor leading to material changes in contributions to turnover and earnings by the business and geographical segments were our increased share interest in Sumalindo. The transaction resulted in the consolidation of reports of the said companies which has significant impact to the Group's accounts for the reviewed period as compared to the previous' financial year end.

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

Our asset and liabilities increased significantly due to consolidation of the new subsidiary, Sumalindo.

Sumalindo's acquisition was funded by equity injection by our then controlling shareholders to acquire an additional 21.44% interest on Sumalindo in August 29, 2007.

#### Material factors affecting cash flow, working capital, assets and liabilities of the Group

- a. We receive additional paid in capital of Rp793 billion from our controlling shareholders and an increase in borrowings of US\$35 million from Credit Suisse for our working capital purposes and capital expenditure requirements;
- b. In August 2007 we acquired additional 21.44% shareholding interest in Sumalindo for a net amount of Rp691 billion;

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- c. We spent an additional Rp136 billion on the acquisition of fixed assets as we grew our operations through increasing our production capacity at the Jombang plant and new satellite plants in Java and Sumatra.

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

Not applicable at this point in time.

**10. A commentary at the date of the announcement of the significant 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.**

We have just completed our initial public offer at SGX-ST on 25 February 2008 and raised over S\$100 million. We intend to use about S\$60 million to finance our business expansion in 2008.

Barring unforeseen circumstances, we expect the Company's results to be profitable. However, the following factors may affect our results:

- (1) The current slowdown in the US economy caused by the subprime problem may affect global economic conditions. The situation may lead to the slowdown in the export market in 2008. As a significant amount of our sales is from the export market, our performance may be affected.
- (2) Oil price increase may have an impact on our freight cost and energy.
- (3) PSUT's transition to using plantation logs for its raw material may take longer than expected.

**11. Dividend**

**(a) 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**

Not applicable

**(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 is declared as funds are required to grow our business in 2008.

# SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

## PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

Year ended 31 December 2007	Primary processed timber products Rp million	Secondary processed timber products Rp million	Chemical glue Rp million	Elimination Rp million	Total Rp million
<b>Revenue:</b>					
Sales to external customers	2,069,741	238,900	6,477	-	2,315,118
Inter-segment sales	-	-	65,313	(65,313)	-
<b>Total sales</b>	<b>2,069,741</b>	<b>238,900</b>	<b>71,791</b>	<b>(65,313)</b>	<b>2,315,118</b>
<b>Results:</b>					
Segment results	179,613	11,224	6,232	(2,610)	194,460
Other expense					(52,767)
Other income					35,960
Finance expense					(142,451)
Finance income					5,950
Share of results of associate					27,736
<b>Profit before tax</b>					<b>68,888</b>
Taxation					(13,481)
<b>Profit for the period</b>					<b>55,407</b>

Year ended 31 December 2006	Primary processed timber products Rp million	Secondary processed timber products Rp million	Chemical Glue Rp million	Elimination Rp million	Total Rp million
<b>Revenue:</b>					
Sales to external customers	1,401,635	185,445	14,967	-	1,602,047
Inter-segment sales	415,001	-	59,744	(474,745)	-
<b>Total sales</b>	<b>1,816,636</b>	<b>185,445</b>	<b>74,711</b>	<b>(323,437)</b>	<b>1,602,047</b>
<b>Results:</b>					
Segment results	135,996	12,005	6,688	(3,718)	150,971
Other income					56,843
Other expense					(28,408)
Finance income					8,238
Finance expense					(103,423)
Share of results in associate					10,241
<b>Profit before tax</b>					<b>94,462</b>
Taxation					(40,792)
<b>Profit for the year</b>					<b>53,670</b>



# SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

## Geographical segments

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

Region	2007	2006
	Rp million	Rp million
Indonesia	1,542,577	947,251
North Asia	459,965	442,018
Middle East	121,057	95,763
Europe	77,358	1,353
Others	114,161	115,662
	<u>2,315,118</u>	<u>1,602,047</u>

14. **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 commentary under paragraph 8.

15. **A breakdown of sales**

	2007	2006	% increase/ (decrease)
	<u>Rp million</u>	<u>Rp million</u>	
Sales reported for financial period 1 January to 31 August <sup>*)</sup>	1,341,037	993,632	34.9%
Operating profit/loss after tax before deducting minority interests reported for financial period 1 January to 31 August <sup>*)</sup>	41,506	51,793	(19.9%)
Sales reported for financial period 1 September to 31 December	974,081	608,415	60.1%
Operating profit/loss after tax before deducting minority interests reported for financial period 1 September to 31 December	13,901	1,877	640.6%

Note:

<sup>\*)</sup> The January to August figures are in line with what has been disclosed in the prospectus

16. **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.

# SAMKO TIMBER LIMITED

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## 17. Interested persons transactions.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year 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 year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
PT Balaraja Unggul Sejati <ul style="list-style-type: none"><li>• Land rental</li></ul>	Rp300,000,000	NIL
PT Pelayaran Nelly Dwi Putri <ul style="list-style-type: none"><li>• Time charter of tug and barges</li><li>• Freight</li></ul>	Rp33,619,232,325	NIL
Noah Shipping Pte Ltd <ul style="list-style-type: none"><li>• Time charter of tug and barges</li></ul>	Rp814,502,079	NIL
Hasan Holding Pte Ltd <ul style="list-style-type: none"><li>• Freight</li><li>• Supply of spare parts and sub material</li></ul>	Rp11,646,607,280	NIL
PT Nelly Jaya Pratama <ul style="list-style-type: none"><li>• Supply of veneer</li><li>• Sales of plywood</li></ul>	Rp22,228,048,943	NIL

### BY ORDER OF THE BOARD

Aris Sunarko @ Ko Tji Kim

Chief Executive Officer

31 March 2008