

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

Unaudited Second Quarter Financial Statement and Dividend Announcement for the Period Ended 30/06/2008

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF SECOND QUARTER AND HALF YEAR RESULTS

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

Group						
2nd Qtr 1 Apr 2008 to 30 Jun 2008	2nd Qtr 1 Apr 2007 to 30 Jun 2007	Change	1 Jan 2008 to 30 Jun 2008	1 Jan 2007 to 30 Jun 2007	Change	
Rp Million	Rp Million	%	Rp Million	Rp Million	%	
Revenue	776,813	485,596	60.0%	1,607,563	985,474	63.1%
Cost of Sales	(634,586)	(379,580)	67.2%	(1,360,955)	(787,104)	72.9%
Gross profit	142,227	106,016	34.2%	246,608	198,370	24.3%
Other items of income						
Finance income	760	1,027	-26.0%	1,578	2,789	-43.4%
Other income	65,080	1,153	5544.4%	123,144	5,139	2296.3%
Other items of expenses						
Selling expenses	(41,695)	(27,040)	54.2%	(77,264)	(56,622)	36.5%
General & administrative expenses	(54,938)	(34,591)	58.8%	(96,417)	(60,016)	60.7%
Finance expense	(36,384)	(34,804)	4.5%	(78,015)	(58,658)	33.0%
Other expenses	(3,180)	(9,996)	-68.2%	(3,150)	(14,717)	-78.6%
Share of results in associate	-	24,694	-100.0%	-	30,117	-100.0%
Profit before tax	71,870	26,459	171.6%	116,484	46,402	151.0%
Taxation	(20,497)	(563)	3540.7%	(34,545)	(8,352)	313.6%
Profit for the period	51,373	25,896	98.4%	81,939	38,050	115.3%
Attributable to:						
Equity holders of the Company	26,488	26,668	-0.7%	55,061	39,210	40.4%
Minority interests	24,885	(772)	n.m	26,878	(1,160)	n.m
	51,373	25,896	98.4%	81,939	38,050	115.3%

n.m: not meaningful

Notes:

The consolidated report of the Group for the second quarter ended 30 June 2007 excludes PT Sumalindo Lestari Jaya ("Sumalindo") accounts. Sumalindo was consolidated commencing on 29 August 2007.

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1(a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period. Cont'd

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

	Group					Change
	2nd Qtr 1 Apr 2008 to 30 Jun 2008	2nd Qtr 1 Apr 2007 to 30 Jun 2007	Change	1 Jan 2008 to 30 Jun 2008	1 Jan 2007 to 30 Jun 2007	
Realised foreign exchange gain/ (loss), net	7,816	(3,774)	307.1%	21,497	6,961	208.8%
Unrealised exchange gain/ (loss), net	8,877	3,285	170.2%	45,226	(13,941)	-424.4%
Gain/ (loss) on changes in fair value of biological asset	9,313	-	n.m	10,812	(115)	n.m
Depreciation of property, plant and equipment	(37,930)	(25,147)	50.8%	(81,089)	(44,788)	81.0%
Gain/ (loss) on dilution of investment	(333)	9,757	-103.4%	2,013	3,986	-49.5%
Amortisation of land use rights	(1,157)	(510)	126.9%	(3,292)	(1,230)	167.6%
Amortisation of intangible assets	(2,551)	-	n.m	(2,686)	-	n.m
Gain on loan waiver	50,968	-	n.m	50,968	-	n.m

n.m: 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.

	Group		Company	
	As at 30 Jun 2008	As at 31 Dec 2007	As at 30 Jun 2008	As at 31 Dec 2007
	Rp Million	Rp Million	Rp Million	Rp Million
Non-current assets				
Property, plant and equipment	2,143,238	1,877,722	1,260	534
Intangible assets	38,969	41,655	-	-
Goodwill	959,840	841,103	-	-
Investment in subsidiary company	-	-	1,290,693	1,290,693
Biological assets	438,406	412,403	-	-
Land use rights	101,055	66,197	-	-
Deferred tax assets	178,284	181,548	-	-
Other non-current assets	115,876	52,171	158	-
	3,975,668	3,472,799	1,292,111	1,291,227
Current assets				
Inventories	635,983	582,605	-	-
Trade and other receivables	172,337	158,566	725,872	256,798
Prepaid operating expenses	47,344	160,814	435	16,988
Advances to suppliers	278,852	186,031	253	41
Derivative financial instruments	1,046	-	-	-
Cash and cash equivalents	275,215	172,867	72,357	10,278
	1,410,777	1,260,883	798,917	284,105
Current liabilities				
Trade and other payable	260,780	236,264	2,319	3,683
Other liabilities	197,655	226,949	4,355	-
Derivative financial instruments	2,626	1,269	-	-
Provision for taxation	37,773	40,323	-	-
Short term bank borrowings	287,013	324,917	-	-
Long term borrowings (current portion)	500,672	288,807	143,159	-
	1,286,519	1,118,529	149,833	3,683
Net current assets	124,258	142,354	649,084	280,422
Non-current liabilities				
Long term borrowings	1,065,452	1,322,874	-	310,827
Post-employment benefits	42,265	44,894	-	-
Deferred tax liabilities	133,707	132,331	-	-
Other liability	202,860	202,860	-	-
	1,444,284	1,702,959	-	310,827
Net assets	2,655,642	1,912,194	1,941,195	1,260,822
Equity attributable to equity holders of the parent				
Share capital	1,930,676	1,269,167	1,930,676	1,269,167
Reserves	293,503	238,442	10,519	(8,345)
	2,224,179	1,507,609	1,941,195	1,260,822
Minority Interests	431,463	404,585	-	-
	2,655,642	1,912,194	1,941,195	1,260,822

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1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

Amount repayable in one year or less, or on demand

As at 30 Jun 2008		As at 31 Dec 2007	
Secured	Unsecured	Secured	Unsecured
Rp million	Rp million	Rp million	Rp million
782,817	4,868	606,604	7,120

Amount repayable after one year

As at 30 Jun 2008		As at 31 Dec 2007	
Secured	Unsecured	Secured	Unsecured
Rp million	Rp million	Rp million	Rp million
1,065,452	-	1,322,874	-

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; and
- (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 period.

	Group	
	1 Jan 2008 to 30 Jun 2008 Rp Million	1 Jan 2007 to 30 Jun 2007 Rp Million
Cash flows from operating activities		
Profit before tax	116,484	46,402
Adjustments:		
Depreciation of property, plant and equipment	81,089	44,788
Unrealised exchange (gain)/ loss	(45,225)	13,941
(Gain)/ Loss on change in fair value of biological assets	(10,812)	115
Amortisation of land use rights	3,292	1,230
Gain on loan forgiven	(50,968)	-
Share of results in associate	-	(30,117)
Gain on dilution of investment	-	(3,986)
Interest expense	78,015	58,658
Interest income	(1,578)	(2,789)
Amortization of deferred losses on sales and lease back	436	2,082
Amortisation of intangible assets	2,686	-
Operating cash flow before changes in working capital	173,419	130,324
Changes in working capital		
Inventories	(53,378)	6,658
Trade and other receivables	(13,687)	2,797
Prepaid operating expenses	126,330	8,369
Advance to suppliers	(92,821)	19,933
Trade and other payable	24,516	4,405
Post-employment benefits	(2,629)	4,054
Other liabilities	(7,339)	2,011
Other non-current assets	(63,671)	(42,056)
Cash flow provided by operations	90,740	136,495
Income tax paid	(32,225)	(14,292)
Net cash provided by operating activities	58,515	122,203
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	(24,994)	-
Proceeds from disposal of available for sale financial assets	-	8,950
Acquisition of subsidiaries under common control	(15,191)	17
Investment in an associate	-	(46,891)
Interest received	1,578	2,789
Additions to land use rights	(38,150)	4,527
Purchase of property, plant, and equipment	(249,761)	(77,039)
Net cash used in investing activities	(326,518)	(107,647)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	661,509	-
Repayments of short term bank loans	(37,904)	(11,746)
Repayment of long-term loans	(464,323)	(66,992)
Proceeds from long-term loans	311,198	62,085
Interest expense paid	(100,129)	(54,060)
Net cash provided by/ (used in) financing activities	370,351	(70,713)
Net increase/ (decrease) in cash and cash equivalents	102,348	(56,157)
Cash and cash equivalents at beginning of period	172,867	164,162
Cash and cash equivalents at end of period	275,215	108,005

Notes:

The consolidated report of the Group for the second quarter ended 30 June 2007 excludes Sumalindo accounts. Sumalindo was consolidated commencing on 29 August 2007.

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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 period.

Group

	Attributable to equity holders of the Parent				Minority Interest	Total Equity
	Share Capital	Restructuring reserves	Accumulated losses	Total		
	Rp million	Rp million	Rp million	Rp million		
Balance at 1 January 2008	1,269,167	309,050	(70,608)	1,507,609	404,585	1,912,194
Issuance of ordinary shares	661,509	-	-	661,509	-	661,509
Profit for the period, representing total recognised income and expense for the period	-	-	55,061	55,061	26,878	81,939
Balance at 30 June 2008	<u>1,930,676</u>	<u>309,050</u>	<u>(15,547)</u>	<u>2,224,179</u>	<u>431,463</u>	<u>2,655,642</u>
Balance at 1 January 2007	475,840	168,027	(117,726)	526,141	55,298	581,439
Adjustment arising from the restructuring exercise	-	14,326	-	14,326	-	14,326
Profit/ (loss) for the period, representing total recognised income and expense for the period	-	-	39,210	39,210	(1,160)	38,050
Balance at 30 June 2007	<u>475,840</u>	<u>182,353</u>	<u>(78,516)</u>	<u>579,677</u>	<u>54,138</u>	<u>633,815</u>

Company

	Attributable to equity holders of the Parent		
	Share Capital	Accumulated (losses)/ profit	Total
	Rp million	Rp million	Rp million
Balance at 1 January 2008	1,269,167	(8,345)	1,260,822
Issuance of ordinary shares	661,509	-	661,509
Profit for the period, representing total recognised income and expense for the period	-	18,864	18,864
Balance at 30 June 2008	<u>1,930,676</u>	<u>10,519</u>	<u>1,941,195</u>
Balance at 1 January 2007	475,840	3,036	478,876
Loss for the period, representing total recognised income and expense for the period	-	(110)	(110)
Balance at 30 June 2007	<u>475,840</u>	<u>2,926</u>	<u>478,766</u>

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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 at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial period.

	<u>Group and Company</u> <u>Number of Shares</u>
Ordinary shares at 31 March and 30 June 2008	<u>898,162,562</u>

There were no changes in the Company's share capital in Q2 2008. There were no treasury shares at the beginning and end of the financial period.

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 period.

	<u>Company</u>	
	<u>30 Jun 2008</u>	<u>31 Dec 2007</u>
	Actual	Actual
Total number of issued shares excluding treasury shares	898,162,562	684,623,916

There were no shares held as treasury shares as at 30 June 2008 and 31 December 2007.

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.

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

The financial statements have not been audited nor reviewed by the auditors.

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.

There were no changes in the accounting policies and methods of computation adopted by the Group and the Company for the preparation of the financial statements for the current reporting period compared to the audited financial statements as at 31 December 2007.

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 policies and methods of computation.

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			
	2nd Qtr 1 Apr 2008 to 30 Jun 2008	2nd Qtr 1 Apr 2007 to 30 Jun 2007	1 Jan 2008 to 30 Jun 2008	1 Jan 2007 to 30 Jun 2007
Weighted average number of ordinary shares for basic earnings per share computation	898,162,562	600,000,000	833,275,128	600,000,000
Weighted average number of ordinary shares for diluted earnings per share computation	898,162,562	604,191,247	833,275,128	604,191,247
	Rp (full amount)	Rp (full amount)	Rp (full amount)	Rp (full amount)
Earnings per ordinary share - basic and diluted	29	44	66	65

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	
	As at 30 Jun 2008	As at 31 Dec 2007	As at 30 Jun 2008	As at 31 Dec 2007
Net asset for the period attributable to ordinary equity holders of the parent used in computation of net asset value per share (Rp million)	2,224,179	1,507,609	1,941,195	1,260,822
Number of ordinary shares at the end of period	898,162,562	684,623,916	898,162,562	684,623,916
Net asset value per ordinary share (Rp)	2,476	2,202	2,161	1,842

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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; and

The Group's consolidated income statement for the second quarter and half year ended 30 June 2008 has fluctuated significantly as compared to the same period last year. The acquisition of additional shares in the share capital of Sumalindo has resulted in the Company having control of Sumalindo and the consolidation of Sumalindo's results in the Group's second quarter and half year ended 30 June 2008 revenue below.

Revenue

	Group					
	2nd Qtr 1 Apr 2008 to 30 Jun 2008	2nd Qtr 1 Apr 2007 to 30 Jun 2007	Change	1 Jan 2008 to 30 Jun 2008	1 Jan 2007 to 30 Jun 2007	Change
	Rp Million	Rp Million	%	Rp Million	Rp Million	%
Domestic sales	546,667	106,828	411.7%	1,096,971	397,340	176.1%
Export sales	230,146	378,768	-39.2%	510,592	588,134	-13.2%
Total	776,813	485,596	60.0%	1,607,563	985,474	63.1%

Our revenue during the second quarter and first half year of 2008, respectively increased by 60% and 63.1% compared to the corresponding periods of last year. These were mainly resulted from the consolidation of Sumalindo's revenues commencing from 29 August 2007. Our revenue during the second quarter of 2008 was Rp777 billion, increased by Rp291 billion from the previous year's corresponding period result of Rp486 billion, where Sumalindo for the same period of 2008 contributed Rp250 billion in the revenue increase. Our revenue for the first half of 2008 was Rp1,608 billion, increased by Rp623 billion compared to the previous corresponding period of Rp985 million, where Sumalindo for the same period of 2008 contributed Rp551 billion in the revenue increase.

The increase in our revenues for the second quarter and first half year of 2008 were mainly driven by the increase in our domestic sales, partially offset by the declining export sales. Our domestic sales for the first half year of 2008 increased by 176% from the same period of last year while our export sales declined by 13%. The decline in our export was due to the transition to plantation logs of a subsidiary, PT Putra Sumber Utama Timber.

Cost of Sales

	Group					
	2nd Qtr 1 Apr 2008 to 30 Jun 2008	2nd Qtr 1 Apr 2007 to 30 Jun 2007	Change	1 Jan 2008 to 30 Jun 2008	1 Jan 2007 to 30 Jun 2007	Change
	Rp Million	Rp Million	%	Rp Million	Rp Million	%
Raw materials used	297,301	188,228	57.9%	627,713	430,714	45.7%
Labour Costs	94,372	44,904	110.2%	176,800	99,328	78.0%
Factory overheads	241,734	125,000	93.4%	514,227	227,823	125.7%
Movement in finished goods	1,179	21,448	-94.5%	42,215	29,239	44.4%
Total	634,586	379,580	67.2%	1,360,955	787,104	72.9%

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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, costs of veneer purchased from third parties and logging costs.

The raw material costs had increased by 58% to Rp297 billion in the second quarter of 2008 from Rp188 billion in the corresponding period of 2007, in line with the consolidation of Sumalindo's second quarter results and the increase in sales volume. However, raw material cost as a percentage of our cost of sales decreased to 47% in the second quarter of 2008 from 50% in the corresponding period or last year due to the consolidation of Sumalindo which has a lower percentage of log cost in its cost structure.

In the first half of 2008, our raw material costs has increased by 46% to Rp628 billion from Rp431 billion in the corresponding period of 2007. As a percentage of our cost of sales, raw material cost in the first half of 2008 and 2007 was 46% and 55%, respectively. The lower percentage of raw material cost in the first half of 2008 compared to the same period of last year was mainly due to the consolidation of Sumalindo which has a lower percentage of log cost in its cost structure.

Factory overheads

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 93% to Rp242 billion in the second quarter of 2008 from Rp125 billion in the corresponding quarter of 2007 in line with the consolidation of Sumalindo, increase in production and general increase in prices as result from the oil price hikes and inflation.

For the first half of 2008, our factory overheads increased by 126% to Rp514 billion compared to Rp228 billion in the corresponding period of 2007, mainly as result of the consolidation of Sumalindo, in particular related to depreciation expense, increase in energy cost and increase in the glue costs as result of general increase in oil prices. Our depreciation expense increased from Rp43 billion in first half year of 2007 to become Rp78 billion in the same period of 2008 where Sumalindo contributed a depreciation expense of Rp37 billion during the period. Our energy cost increased by 94% in the first half year of 2008 to Rp194 thousand per cubic meter compared to Rp100 thousand per cubic meter in the corresponding period of last year, giving a total energy cost of Rp86 billion in the first half year of 2008 compared to Rp34 billion in the corresponding period of last year. Our glue costs increased by 63% to Rp338 thousand per cubic meter in the first half year of 2008 compared to Rp207 thousand per cubic meter in the same period of last year.

Gross Profit

Our gross profit increased by 34% to Rp142 billion in the second quarter of 2008 from Rp106 billion in the second quarter of 2007. As a percentage of sales however, our gross profit margin declined to 18% in the second quarter of 2008 from 22% in the second quarter of 2007.

On a half year basis, our gross profit margin has declined by 5% for the first half year of 2008 to 15% compared to 20% in the corresponding period of of 2007.

The decline in our gross profit margin was mainly affected by the increase in our cost of sales.

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Other Income / Expense

Our other income for the second quarter of 2008 increased to Rp65 billion from Rp1 billion in the corresponding quarter of 2007. The increase in our other income comprised of a waiver of loan outstanding of Rp51 billion due to loan restructuring and a foreign exchange gain of Rp17 billion.

On a half yearly basis, our other income for the first half year of 2008 was Rp123 billion compared to Rp5 billion in the corresponding period of 2007, which were mainly derived from foreign exchange gain of Rp67 billion and waiver of loan outstanding of Rp51 billion exercised by Sumalindo's subsidiary.

Selling Expenses

Our selling expenses increased by 54% to Rp42 billion in the second quarter of 2008 from Rp27 billion in the corresponding period of 2007. On a half yearly basis, our selling expenses increased by 37% to Rp77 billion in the first half year of 2008 compared to Rp57 billion for the corresponding period of 2007. The increase in our selling expense was mainly due to the consolidation of Sumalindo. As a percentage of sales, our selling expenses for the second quarter and first half year of 2008 were approximately 5% compared to 6% for the same periods of last year.

General and Administration Expense

Our general and administration ("G&A") expenses in the second quarter and first half year of 2008 increased by 59% and 61% compared to the corresponding periods of 2007, respectively. Our G&A expenses for the second quarter of 2008 was Rp55 billion and in the same period of 2007 was Rp35 billion. The increase in our G&A expenses were mainly due to the consolidation of Sumalindo and the increase in headcount at our head office. As percentage of sales, the G&A expenses accounted for 7% in the second quarters of 2008 and 2007.

Taxation

Tax expenses for the second quarter of 2008 increased by Rp20 billion compared to the same period last year. This is due to the higher taxable profits for this quarter.

(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 subsidiary, Sumalindo, has completed its acquisition of PT Essam Timber in June 2008. The acquisition has given a significant impact to our consolidated balance sheet for the reported period, as follows:

- Increase in fixed assets, net by Rp97 billion
- Increase in goodwill by Rp119 billion
- Increase in bank loan by Rp140 billion

Additional material changes compared to last financial year include:

- a. Advance to supplier increased by Rp 93 billion due to the increase in the purchase of natural forest logs in anticipating of the long holiday in Q3/Q4 and weather uncertainties in the country.
- b. Land rights increased by Rp 35 billion due to the acquisition of new land assets for the expansion in Java.

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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 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.

- 1) The Group's operating environment has been challenging and competitive with the slow downs in the economic growth of many countries, caused by the sub-prime problem in the US and rising crude oil and food prices. We expect some increase in the average selling prices of our products in the coming quarters of 2008. However, the increase in selling price of our products may not have significant impact on our operating results as they are affected by the increase in operating costs.
- 2) PSUT's transformation is in progress and we expect to complete the program by the third quarter of 2008. Upon completion, we expect PSUT to provide less negative impact to the Group's bottom line. The transformation of PSUT includes further worker retrenchment, which will require us to pay a further amount of employee benefits and compensation in Q3 2008.
- 3) Substantially all of the Group's export sales are denominated in US dollars. Products prices sold in the domestic market are also influenced by the international prices of timber products which are denominated in US dollars. The Group periodically reviews the impact of movements in foreign exchange rates on profitability so that appropriate action could be taken to mitigate these risks.

The following table demonstrates the sensitivity of our loans denominated in US dollars to a reasonably possible change in the Indonesian Rupiah exchange rates (against US dollars), with all other variables held constant, on the Group's profit after tax for the year (assuming tax rate of 30%).

Exchange Rate 1 US\$ is equal to :	<u>Group</u> <u>2008</u> Rp million <u>Profit after tax for first half 2008</u>
Actual	55,061
<u>Test Rate</u>	<u>Increase / (Decrease)</u>
9,400	(15,142)
9,300	(6,489)
9,200	2,163
9,100	10,815
9,000	19,468

Note:

- Exchange rate of IDR to 1US\$ at 31 December 2007 was IDR 9,419
- Exchange rate of IDR to 1US\$ at 31 March 2008 was IDR 9,217
- Exchange rate of IDR to 1US\$ at 30 June 2008 was IDR 9,225
- Exchange rate of IDR to 1US\$ at 11 August 2008 was IDR 9,213
- Our US\$ loans as of 30 June 2008 amounts to US\$177 million (31 March 2008: US\$ 171 billion).

- 4) The Group is currently reviewing all its strategies in view of the recent development and is still confident in growing the business despite the changes in our operating environment.

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11. Dividend

(a) 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

Not applicable

(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 second quarter ended 30 June 2008 has been declared.

13. 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)
	1 Jan 2008 to 30 Jun 2008	
	Rp Million	Rp Million
PT Pelayaran Nelly Dwi Putri <ul style="list-style-type: none">• Time charter of tug and barges• Freight	24,870	Nil
Hasan Holding Pte Ltd <ul style="list-style-type: none">• Freight• Supply of spare parts and sub material	7,221	Nil
PT Nelly Jaya Pratama <ul style="list-style-type: none">• Supply of veneer and spare parts• Supply of plywood	9,305	Nil

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

14. Statement by Directors pursuant to rule 705(4) of the SGX Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Directors which may render the unaudited financial statements for the second quarter ended 30 June 2008 to be false or misleading in any material aspects.

By Order of the Board

Aris Sunarko @ Ko Tji Kim
Chief Executive Officer
12 August 2008