

GENERAL ANNOUNCEMENT::DISCLOSURES PURSUANT TO RULES 703, 704(31) AND 728(1) OF THE LISTING MANUAL

Issuer & Securities

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SAMKO TIMBER LIMITED

Securities

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DISCLOSURES PURSUANT TO RULES 703, 704(31) AND 728(1) OF THE LISTING MANUAL

Announcement Reference

SG200316OTHR3UHF

Submitted By (Co./ Ind. Name)

Riko Setyabudhy Handoko

Designation

Executive Director and Chief Executive Officer

Description (Please provide a detailed description of the event in the box below)

Please refer to the attachment.

Attachments

[Samko%20-%20Annt%20-%20Disclosures%20Pursuant%20to%20the%20Listing%20Manual.pdf](#)

Total size =319K MB

SAMKO TIMBER LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200517815M)

DISCLOSURES PURSUANT TO RULES 703, 704(31) AND 728(1) OF THE LISTING MANUAL

1. INTRODUCTION

- 1.1. The board of directors (the “**Board**” or “**Directors**”) of Samko Timber Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 19 September 2019, 16 December 2019, 18 February 2020 and 12 March 2020, and the circular to shareholders of the Company (the “**Shareholders**”) dated 29 November 2019 (the “**Previous Announcements**”), in relation to the proposed transaction between PT Sempurna Graha Abadi (“**PT SGA**”), a wholly-owned subsidiary of the Group, and PT Barito Wanabinar Indonesia (“**PT BWI**”) as a major transaction (the “**Proposed Transaction**”).
- 1.2. Unless otherwise defined, capitalised terms used herein shall bear the same meaning as ascribed to them in the Previous Announcements and all conversions are based on an illustrative exchange rate of US\$1.00 : S\$1.41.

2. DISCLOSURE PURSUANT TO RULE 703 OF THE LISTING MANUAL

- 2.1. In accordance with Rule 703 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Listing Manual**”) and further to the Completion of the Proposed Transaction on 12 March 2020, the Company is pleased to announce that PT Sumber Graha Maluku (“**PT SGM**”) and its subsidiaries (“**Borrowers**”) had on 13 March 2020 entered into an US\$60 million (approximately S\$85 million) loan facility (“**OCBC Facilities**”) with Oversea-Chinese Banking Corporation Limited (“**OCBC**”) and PT Bank OCBC NISP Tbk (the “**Facilities Agreement**”).
- 2.2. The OCBC Facilities will be used to fund:
 - (a) the capital expenditure required for the construction of facilities in North Maluku for its operations including the production of plywood, wood pellets, and glue, as well as the associated infrastructure, for the intended operations of the Borrowers;
 - (b) plantation activities; and
 - (c) other working capital requirements.
- 2.3. The OCBC Facilities are secured by, *inter alia*, (i) mortgages over land and buildings owned by the Borrowers; (ii) securities over machinery and equipment owned by the Borrowers; (iii) securities over accounts receivables, inventory and insurances of the Borrowers; (iv) assignment of the offtake agreement entered into/to be entered into between PT Sumber Graha Sejahtera, a subsidiary of the Company in Indonesia (and/or its affiliates) and certain Borrowers; and (v) the pledges over the bank accounts opened by the Borrowers with PT Bank OCBC NISP Tbk.
- 2.4. Following the drawdown of the OCBC Facilities in full, the gearing of the Group is expected to increase from 643% to 1,083%. The entry of PT SGM into the Facilities Agreement and the drawdowns contemplated under the OCBC Facilities are not expected to have any material impact on the earnings per share or the net tangible assets of the Group for the financial year ending 31 December 2020.

3. DISCLOSURE PURSUANT TO RULE 704(31) OF THE LISTING MANUAL

- 3.1. Pursuant to Rule 704(31) of the Listing Manual, the Board wishes to inform shareholders that under the Loan Agreement, if a “change of control” occurs, the majority lenders in relation to the Facilities Agreement may (if they so require and PT Bank OCBC NISP Tbk giving PT SGM not less than five (5) days’ notice) terminate all outstanding loans together with accrued interests and all other amounts accrued under the finance documents relating to the Facilities Agreement immediately due and payable, whereupon the OCBC Facilities will be cancelled and all such outstanding amounts will become immediately due and payable (the “**Loan Condition**”).
- 3.2. A “change of control” as defined under the OCBC Facilities will occur if, amongst others, the controlling shareholder of the Company, namely Sampoerna Forestry Limited, ceases at any time to be the legal and beneficial owner (directly or indirectly) of no less than 51% of the issued share capital of the Company.
- 3.3. On the assumption that the OCBC Facilities are drawn down in full, the aggregate level of the OCBC Facilities that may be affected by a breach of the Loan Condition is US\$60 million, together with accrued interest and all other amounts accrued or outstanding under the finance documents relating to the Facilities Agreement.

4. RULE 728(1) OF THE LISTING MANUAL

Accordingly, pursuant to Rule 728(1) of the Listing Manual, the Company has obtained an undertaking from Sampoerna Forestry Limited to notify the Company, as soon as they become aware, of any share pledging arrangement(s) relating to the shares of the Company in which they have an interest in and of any event which may result in a breach of the Loan Condition.

As at the date of this announcement, no such breach of the Loan Condition under the OCBC Facilities has occurred.

5. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

None of the Directors or, to the best of the knowledge of the Company, the substantial Shareholders, has any other interest, direct or indirect, in the above transaction other than through their respective directorships in the Group and/or shareholdings in the Company.

BY ORDER OF THE BOARD

Riko Setyabudhy Handoko
Executive Director and Chief Executive Officer
16 March 2020