SAMLING GLOBAL LIMITED

三林環球有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 3938)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

The Board of Directors (the "Board") of Samling Global Limited (the "Company") is pleased to announce the unaudited consolidated interim financial results of the Company and its subsidiaries (the "Group") for the six months ended 31 December 2011, together with the comparative figures for the corresponding period of 2010.

CONSOLIDATED INCOME STATEMENT
for the six months ended 31 December 2011 — unaudited
(Expressed in United States dollars)

		Six months ended 31 December	
		2011	2010
	Notes	***$'000***	*$'000*
Revenue	4	**405,476**	350,913
Cost of sales		**(353,724)**	(311,901)
Gross profit		**51,752**	39,012
Other operating income		**5,115**	5,318
Distribution costs		**(13,432)**	(12,181)
Administrative expenses		**(22,935)**	(21,450)
Other operating expenses		**(2,366)**	(46)
(Loss)/gain from changes in fair value of plantation assets less estimated point-of-sale costs		**(4,258)**	12,377
Profit from operations		**13,876**	23,030
Financial income		**4,560**	14,674
Financial expenses		**(11,078)**	(7,746)
Net financing (costs)/income	5	**(6,518)**	6,928

* *for identification purposes only*

CONSOLIDATED INCOME STATEMENT
for the six months ended 31 December 2011 — unaudited (continued)
(Expressed in United States dollars)

		Six months ended 31 December	
		2011	2010
	Notes	***$'000***	*$'000*
Share of profits less losses of associates		**1,479**	12,141
Share of profits less losses of jointly controlled entities		**985**	129
Profit before taxation	*6*	**9,822**	42,228
Income tax	*7*	**(5,452)**	(6,783)
Profit for the period		**4,370**	35,445
Attributable to:			
Equity shareholders of the Company		**67**	23,212
Non-controlling interests		**4,303**	12,233
Profit for the period		**4,370**	35,445
Earnings per share (US cent)	*9*		
Basic and diluted		**0.002**	0.540

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 31 December 2011 — unaudited
(Expressed in United States dollars)

	Six months ended 31 December	
	2011	2010
	$'000	*$'000*
Profit for the period	**4,370**	35,445
Other comprehensive income for the period *(Note)*		
Exchange difference on re-translation of financial statements of subsidiaries	**(24,332)**	40,478
Total comprehensive income for the period	**(19,962)**	75,923
Attributable to:		
Equity shareholders of the Company	**(16,405)**	53,067
Non-controlling interests	**(3,557)**	22,856
Total comprehensive income for the period	**(19,962)**	75,923

Note: The component of other comprehensive income does not have any significant tax effect for the six months ended 31 December 2011 and 2010.

CONSOLIDATED BALANCE SHEET
at 31 December 2011 — unaudited
(Expressed in United States dollars)

	Notes	**At 31 December 2011** *$'000*	At 30 June 2011 *$'000*
Non-current assets			
Fixed assets	*10*		
— Investment properties		**22,490**	23,020
— Other property, plant and equipment		**365,935**	381,556
Construction in progress		**743**	2,614
Interests in leasehold land held under operating leases		**42,100**	42,396
Intangible assets		**34,663**	39,116
Plantation assets	*11*	**267,149**	285,321
Interests in associates		**137,540**	142,079
Interests in jointly controlled entities		**12,468**	12,266
Available-for-sale financial asset		**331**	325
Deferred tax assets		**5,634**	7,416
Total non-current assets		**889,053**	936,109
Current assets			
Inventories	*12*	**176,863**	161,802
Trade and other receivables	*13*	**151,739**	144,271
Current tax recoverable		**6,335**	16,594
Pledged bank deposits		**2,757**	3,873
Cash and cash equivalents	*14*	**115,956**	125,980
Total current assets		**453,650**	452,520
Total assets		**1,342,703**	1,388,629

CONSOLIDATED BALANCE SHEET
at 31 December 2011 — unaudited (continued)
(Expressed in United States dollars)

	Notes	At 31 December 2011 $'000	At 30 June 2011 $'000
Current liabilities			
Bank loans and overdrafts	*15*	**116,455**	132,926
Obligations under finance leases		**14,648**	15,529
Trade and other payables	*16*	**155,555**	162,214
Current tax payable		**8,607**	5,779
Total current liabilities		**295,265**	316,448
Net current assets		**158,385**	136,072
Total assets less current liabilities		**1,047,438**	1,072,181
Non-current liabilities			
Bank loans	*15*	**160,349**	161,782
Obligations under finance leases		**28,600**	18,623
Deferred tax liabilities		**52,592**	57,033
Total non-current liabilities		**241,541**	237,438
Total liabilities		**536,806**	553,886
Capital and reserves			
Share capital		**429,448**	430,174
Reserves		**173,776**	195,357
Total equity attributable to equity shareholders of the Company		**603,224**	625,531
Non-controlling interests		**202,673**	209,212
Total equity		**805,897**	834,743
Total liabilities and equity		**1,342,703**	1,388,629

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 31 December 2011 — unaudited
(Expressed in United States dollars)

		Six months ended 31 December	
		2011	2010
	Note	***$'000***	*$'000*
Operating profit before changes in working capital		**64,826**	56,817
Changes in working capital		**(32,720)**	(29,754)
Net cash generated from operations		**32,106**	27,063
Net income tax refunded/(paid)		**6,540**	(1,648)
Net cash generated from operating activities		**38,646**	25,415
Net cash used in investing activities		**(16,398)**	(37,321)
Net cash used in financing activities		**(28,138)**	(33,192)
Net decrease in cash and cash equivalents		**(5,890)**	(45,098)
Cash and cash equivalents at the beginning of the period		**114,925**	139,998
Effect of foreign exchange rate changes		**(2,443)**	4,788
Cash and cash equivalents at the end of the period	*14*	**106,592**	99,688

Notes

(Expressed in United States dollars unless otherwise indicated)

1. BASIS OF PREPARATION

This interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This interim financial information does not constitute the Group's interim financial report for the six months ended 31 December 2011 which has been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("IASB") but is extracted from that interim financial report.

2. CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments, new standards and interpretations that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- IAS 24 (revised 2009), *Related party disclosures*
- Improvements to IFRSs (2010)

IAS 24 (revised 2009) revises the definition of a related party. As a result, the Group has re-assessed the identification of related parties and concluded that the revised definition does not have any material impact on the Group's related party disclosures in the current and previous periods. IAS 24 (revised 2009) also introduces modified disclosure requirements for government-related entities. This does not impact the Group because the Group is not a government-related entity.

Improvements to IFRSs (2010) omnibus standard introduces a number of amendments to the disclosure requirements in IFRS 7, *Financial instruments: Disclosures*. These amendments do not have any material impact on the classification, recognition and measurements of the amounts recognised in the financial statements in the current and previous periods.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. SEGMENT REPORTING

The Group manages its business by divisions, which are organised by business line. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has identified five reportable segments. Operating segments with similar nature of the production process and products have been aggregated to form the following reportable segments.

Hardwood logs	This segment primarily derives its revenue from the sale of timber logs to external customers and group companies and the provision of supporting services such as tree-falling, barging, repairs and re-conditioning of equipment and machineries primarily to group companies. Hardwood logs are either harvested from the Group's forest concessions or tree plantation areas primarily located in Malaysia, Guyana and the People's Republic of China ("PRC").
Softwood logs	This segment primarily derives its revenue from the sale of timber logs to external customers. Softwood logs are harvested from the Group's tree plantation areas located in New Zealand.
Plywood and veneer	This segment derives its revenue from the sale of plywood and veneer. These products are manufactured by the Group's manufacturing facilities primarily located near its forest concessions or tree plantation areas in Malaysia and Guyana.
Flooring products	This segment manufactures flooring products through the Group's manufacturing facilities primarily located in the PRC for sale primarily to external customers.
Other operations	This segment derives its revenue from (i) the sale of timber related products (i.e. chipboard, door facings, doors, housing products, kitchen cabinet and sawn timber), granite aggregates, rubber compound, glue and oil palm products to external customers; and (ii) provision of logistic services, provision of electricity supply and leasing of properties primarily to group companies.

Starting from the year ended 30 June 2011, the financial results of hardwood logs and upstream support which were reported as two separate operating segments in previous years' financial statements are grouped and reported to the Group's most senior executive management as one single operating segment for the purposes of resources allocation and performance assessment. Following a change in the composition of the Group's operating segments that in turn results in a change in the reportable segments, the segment information for the six months ended 31 December 2010 has been restated.

3. **SEGMENT REPORTING (continued)**

(a) **Segment results, assets and liabilities**

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of interests in associates and jointly controlled entities, current tax recoverable, deferred tax assets and other corporate assets. Segment liabilities include trade and other payables attributable to the individual segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 31 December 2011 and 2010 is set out below:

	Six months ended 31 December 2011						
	Logs						
	Hardwood logs	**Softwood logs**	**Sub-total**	**Plywood and veneer**	**Flooring products**	**Other operations**	**Total**
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Revenue from external customers	**167,787**	**30,072**	**197,859**	**97,139**	**61,294**	**49,184**	**405,476**
Inter-segment revenue	**45,779**	**—**	**45,779**	**14,571**	**—**	**5,425**	**65,775**
Reportable segment revenue	**213,566**	**30,072**	**243,638**	**111,710**	**61,294**	**54,609**	**471,251**
Reportable segment profit/(loss)	**20,616**	**(5,790)**	**14,826#**	**949**	**6,838**	**(6,937)**	**15,676**
Additions to non–current segment assets during the period	**17,026**	**7,496**	**24,522**	**2,503**	**2,862**	**6,109**	**35,996**

\# *Included in reportable segment profit of logs segment is a loss from changes in fair value of plantation assets less estimated point-of-sale costs of $4,258,000*

3. **SEGMENT REPORTING (continued)**

(a) **Segment results, assets and liabilities (continued)**

	Six months ended 31 December 2010 (restated)						
	Logs						
	Hardwood logs *$'000*	Softwood logs *$'000*	Sub-total *$'000*	Plywood and veneer *$'000*	Flooring products *$'000*	Other operations *$'000*	Total *$'000*
Revenue from external customers	134,615	25,322	159,937	87,875	44,421	58,680	350,913
Inter-segment revenue	53,627	—	53,627	13,184	4,964	3,457	75,232
Reportable segment revenue	188,242	25,322	213,564	101,059	49,385	62,137	426,145
Reportable segment profit/(loss)	13,011	13,742	26,753^	(7,717)	4,743	(749)	23,030
Additions to non-current segment assets during the period	11,698	6,762	18,460	1,155	1,217	9,203	30,035

^ *Included in reportable segment profit of logs segment is a gain from changes in fair value of plantation assets less estimated point-of-sale costs of $12,377,000*

	At 31 December 2011						
	Logs						
	Hardwood logs ***$'000***	**Softwood logs** ***$'000***	**Sub-total** ***$'000***	**Plywood and veneer** ***$'000***	**Flooring products** ***$'000***	**Other operations** ***$'000***	**Total** ***$'000***
Reportable segment assets	**229,009**	**288,122**	**517,131**	**270,479**	**151,138**	**141,537**	**1,080,285**
Interests in associates	**—**	**—**	**—**	**—**	**—**	**137,540**	**137,540**
Interests in jointly controlled entities	**—**	**—**	**—**	**—**	**—**	**12,468**	**12,468**
Reportable segment liabilities	**66,290**	**1,480**	**67,770**	**29,369**	**28,533**	**29,883**	**155,555**

	At 30 June 2011						
	Logs						
	Hardwood logs *$'000*	Softwood logs *$'000*	Sub-total *$'000*	Plywood and veneer *$'000*	Flooring products *$'000*	Other operations *$'000*	Total *$'000*
Reportable segment assets	234,200	316,909	551,109	278,963	133,081	140,913	1,104,066
Interests in associates	—	—	—	—	—	142,079	142,079
Interests in jointly controlled entities	—	—	—	—	—	12,266	12,266
Reportable segment liabilities	67,995	2,664	70,659	32,475	19,378	39,702	162,214

3. **SEGMENT REPORTING (continued)**

(b) **Reconciliations of reportable segment revenue, profit or loss, assets and liabilities**

	Six months ended 31 December	
	2011	2010
Revenue	***$'000***	*$'000*
Reportable segment revenue	**471,251**	426,145
Elimination of inter-segment revenue	**(65,775)**	(75,232)
Consolidated revenue	**405,476**	350,913
Profit		
Reportable segment profit	**15,676**	23,030
Share of profits less losses of associates	**1,479**	12,141
Share of profits less losses of jointly controlled entities	**985**	129
Net financing (costs)/income and other unallocated head office and corporate expenses	**(8,318)**	6,928
Consolidated profit before taxation	**9,822**	42,228

	At 31 December 2011	At 30 June 2011
Assets	***$'000***	*$'000*
Reportable segment assets	**1,080,285**	1,104,066
Interests in associates	**137,540**	142,079
Interests in jointly controlled entities	**12,468**	12,266
Deferred tax assets	**5,634**	7,416
Current tax recoverable	**6,335**	16,594
Unallocated head office and corporate assets	**100,441**	106,208
Consolidated total assets	**1,342,703**	1,388,629
Liabilities		
Reportable segment liabilities	**155,555**	162,214
Current tax payable	**8,607**	5,779
Deferred tax liabilities	**52,592**	57,033
Bank loans and overdrafts	**276,804**	294,708
Obligations under finance leases	**43,248**	34,152
Consolidated total liabilities	**536,806**	553,886

4. **REVENUE**

Revenue mainly represents the sales value of goods supplied to customers less returns and discounts and income from provision of timber extraction, river transportation and repairs and re-conditioning of equipment and machinery services. The amount of each significant category of revenue recognised in the consolidated income statement during the period is as follows:

	Six months ended 31 December	
	2011	2010
	$'000	*$'000*
Sales of goods	**394,819**	337,391
Revenue from provision of services	**10,657**	13,522
	405,476	350,913

5. **NET FINANCING (COSTS)/ INCOME**

	Six months ended 31 December	
	2011	2010
	$'000	*$'000*
Interest on loans and overdrafts from banks and finance charges on obligations under finance leases wholly repayable within five years	**(10,150)**	(10,096)
Less: Borrowing costs capitalised into plantation assets *(note 11)*	**3,147**	3,108
Interest expense	**(7,003)**	(6,988)
Net loss on changes in fair value of financial instruments	**—**	(714)
Foreign exchange losses	**(4,075)**	(44)
Financial expenses	**(11,078)**	(7,746)
Interest income	**1,215**	1,516
Net gain on changes in fair value of financial instruments	**870**	—
Foreign exchange gains	**2,475**	13,158
Financial income	**4,560**	14,674
	(6,518)	6,928

The borrowing costs have been capitalised at a rate of 4.67% to 7.31% (2010: 3.40% to 7.31%) per annum.

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 31 December	
	2011	2010
	$'000	*$'000*
Depreciation	**29,325**	31,270
Less: Depreciation capitalised into plantation assets *(note 11)*	**(301)**	(442)
	29,024	30,828
Amortisation of interests in leasehold land held under operating leases	**599**	634
Amortisation of intangible assets	**4,155**	4,075

7. INCOME TAX

	Six months ended 31 December	
	2011	2010
	$'000	*$'000*
Current tax		
Provision for the period	**6,092**	5,824
(Over)/under-provision in respect of prior years	**(436)**	190
	5,656	6,014
Deferred tax		
Origination and reversal of temporary differences	**(204)**	769
	5,452	6,783

Notes:

(a) Pursuant to the rules and regulations of Bermuda and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in Bermuda and the BVI.

(b) No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during the six months ended 31 December 2011 and 2010.

(c) The subsidiaries in Malaysia are liable to Malaysian income tax at a rate of 25% (2010: 25%).

(d) The subsidiaries in Guyana are liable to Guyana income tax at a rate of 30% (2010: 35%). No provision for Guyana income tax has been made as the subsidiaries in Guyana sustained losses for taxation purposes for the six months ended 31 December 2011 and 2010.

7. INCOME TAX (continued)

(e) The subsidiaries in New Zealand are liable to New Zealand income tax at a rate of 28% (2010: 30%).

(f) The subsidiaries in Australia are liable to Australian income tax at a rate of 30% (2010: 30%).

(g) The subsidiaries in the PRC are liable to the PRC income tax at a rate of 25% (2010: 25%), except for certain subsidiaries which are subject to a preferential tax rate of 12.5% until December 2012 and a subsidiary which is exempted from the PRC income tax.

(h) No provision for Indonesian income tax has been made as the subsidiaries in Indonesia did not earn any income subject to Indonesian income tax during the six months ended 31 December 2011 (2010: N/A).

8. DIVIDENDS

The Directors do not recommend the payment of any interim dividend for the six months ended 31 December 2011 (six months ended 31 December 2010: $Nil).

Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period:

	Six months ended 31 December	
	2011	2010
	$'000	*$'000*
Final dividend in respect of the previous financial year of 0.128 US cents (six months ended 31 December 2010: 0.080 US cents) per share, approved and paid during the following interim period	**5,516**	3,441

9. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 31 December 2011 is based on the profit attributable to equity shareholders of the Company for the six months ended 31 December 2011 of $67,000 (six months ended 31 December 2010: $23,212,000) and weighted average of 4,299,974,000 (2010: 4,301,737,000) ordinary shares in issue during the period.

There were no dilutive potential ordinary shares during the six months ended 31 December 2011 and 2010. The diluted earnings per share is the same as the basic earnings per share.

10. FIXED ASSETS

(a) Acquisitions and disposals

During the six months ended 31 December 2011, the Group acquired fixed assets with an aggregate cost of $25,221,000 (six months ended 31 December 2010: $15,073,000). Items of fixed assets with an aggregate net book value of $854,000 were disposed of during the six months ended 31 December 2011 (six months ended 31 December 2010: $764,000), resulting in a gain on disposal of $62,000 (six months ended 31 December 2010: $296,000).

(b) Certain fixed assets and interests in leasehold land held under operating leases are pledged to banks for certain banking facilities granted to the Group as disclosed in note 15.

11. PLANTATION ASSETS

Included in additions to the Group's plantation assets for the six months ended 31 December 2011 are interest capitalised of $3,147,000 (six months ended 31 December 2010: $3,108,000) and depreciation capitalised of $301,000 (six months ended 31 December 2010: $442,000).

A significant portion of trees in New Zealand are planted on freehold forest and a small portion on leasehold forest with a term of 79 years, expiring in 2060. The Group has been granted seven (2010: seven) plantation licences for a gross area of approximately 458,000 (2010: 458,000) hectares in Malaysia. The licences are granted for 60 years, the earliest of which expires in December 2058. The Group was granted the plantation rights of a total land area of 3,079 hectares in the PRC, expiring in 2066.

The Group's plantation assets in Malaysia and the PRC were independently valued by Pöyry Forest Industry Pte Ltd ("Pöyry") while the plantation assets in New Zealand were independently valued by Chandler Fraser Keating Limited ("CFK"). In view of the non-availability of market value for tree plantation in New Zealand, Malaysia and the PRC, both Pöyry and CFK have applied the net present value approach whereby projected future net cash flows, based on their assessments of current timber log prices, were discounted at the rate of 10.2% (2010: 10.2%) for plantation assets in Malaysia, 10% (2010: 10%) for plantation assets in the PRC and 7.25% (2010: 7.25%) for plantation assets in New Zealand to arrive at the fair value of the plantation assets.

The discount rate used in the valuation of the plantation assets in New Zealand as at each balance sheet date was determined by reference to discount rates published by public entities and government agencies in New Zealand, weighted average cost of capital analysis, internal rate of return analysis, surveyed opinion of forest valuers practice and the implied discount rate of forest sales transactions mainly in New Zealand over a period of time, with more weight given to the implied discount rate.

The principal valuation methodology and assumptions adopted in the valuation of the plantation assets in New Zealand are as follows:

— A stand-based approach was employed whereby stands are scheduled to be harvested at or near their optimum economic rotation age.

— The cash flows are those arising from the current rotation of trees only. No account was taken of revenues or costs from re-establishment following harvest, or of land not yet planted.

11. PLANTATION ASSETS (continued)

— The cash flows do not take into account of income tax and finance costs.

— The cash flows have been prepared in real terms and have not therefore included inflationary effects.

— The impact of any planned future activity of the business that may impact the pricing of the logs harvested from the forest is not taken into account.

— Costs are current average costs. No allowance has been made for cost improvements in future operations.

In the absence of forest sales transactions in Malaysia, the discount rate used in Malaysia was based on the weighted average cost of capital. The discount rate used in the valuation of the plantation assets in the PRC was based on an average discount rate adopted by entities with plantation assets in Asia-Pacific region.

Certain plantation assets are pledged to banks for certain banking facilities granted to the Group as disclosed in note 15.

12. INVENTORIES

During the six months ended 31 December 2011, $4,741,000 (six months ended 31 December 2010: $273,000) has been recognised as an expense in the consolidated income statements, to write-down the inventories to net realisable value.

13. TRADE AND OTHER RECEIVABLES

	At 31 December 2011	At 30 June 2011
	$'000	*$'000*
Trade receivables	**71,576**	64,543
Prepayments, deposits and other receivables	**64,984**	63,249
Loans to third parties	**15,179**	16,479
	151,739	144,271

Included in the Group's trade receivables are amounts due from associates, jointly controlled entities and related parties of $3,172,000 (30 June 2011: $4,386,000), $79,000 (30 June 2011: $77,000) and $537,000 (30 June 2011: $553,000) respectively, as at 31 December 2011.

13. TRADE AND OTHER RECEIVABLES (continued)

Included in the Group's loans to third parties were:

(i) In prior years, a loan of $9,000,000 has been disbursed to a third party in connection with a proposed acquisition of an Indonesian company (the "Target"). The Group elected to terminate this proposed acquisition in April 2010. In accordance with the sales and purchase agreement and convertible loan agreement in place, the loan of $9,000,000 shall then be repaid to the Group in full by 19 November 2010 or the commencement of the commercial operation of the Target, whichever occurs earlier. On 17 December 2010, the Group had entered into an agreement with that third party to revise the repayment term of the above loan where the loan shall be fully repaid within a period of 24 months from the date of agreement. During the repayment period, the borrower shall pay to the Group every month a minimum amount of $300,000. The loan is unsecured and bears interest at 6% (30 June 2011: 6%) per annum.

The borrower made a total repayment of $1,800,000 to the Group up to 30 June 2011, but no repayment had been made by the borrower during the six months ended 31 December 2011, As at 31 December 2011, the outstanding loan amounted to $7,200,000 (30 June 2011: $7,200,000). Since there was no repayment during the six months ended 31 December 2011, the Directors assessed that a portion of the loan may not be recoverable. Consequently, an impairment loss of $1,800,000 was recognised in respect of the outstanding loan balance as at 31 December 2011; and

(ii) Two loans totalling $9,779,000 have been disbursed to two third parties (the "Borrowers") in connection with certain proposed business acquisitions. As at 31 December 2011, the loans are secured and interest free. These loans are convertible into shares of certain designated companies which are set out in the loan agreements. These loans are repayable by the Borrowers at the request of the Group, which will be at the time that the Group decides not to proceed with the proposed acquisitions in accordance with the terms and conditions of the loan agreements. The loans shall carry interest at 6% per annum since then. Subject to the fulfilment of certain terms and conditions as set out in the loan agreements, a loan of $3,823,000 will be further disbursed to the above mentioned third parties.

Ageing analysis

The Group normally allows a credit period ranging from 30 days to 90 days to its customers.

An ageing analysis of trade receivables from the date of billing is as follows:

	At 31 December 2011	At 30 June 2011
	$'000	*$'000*
Within 30 days	**40,992**	39,957
31–60 days	**7,689**	8,497
61–90 days	**4,166**	3,243
91–180 days	**8,466**	8,118
181–365 days	**6,267**	1,273
1–2 years	**3,230**	2,493
Over 2 years	**766**	962
	71,576	64,543

14. CASH AND CASH EQUIVALENTS

	At 31 December 2011 $'000	At 30 June 2011 $'000
Deposits with banks and other financial institutions	**85,582**	101,543
Cash at bank and in hand	**30,374**	24,437
Cash and cash equivalents in the consolidated balance sheet	**115,956**	125,980
Bank overdrafts *(note 15)*	**(9,364)**	(11,055)
Cash and cash equivalents in the condensed consolidated cash flow statement	**106,592**	114,925

15. BANK LOANS AND OVERDRAFTS

The bank loans and overdrafts were repayable as follows:

	At 31 December 2011 $'000	At 30 June 2011 $'000
Within one year or on demand	**116,455**	132,926
After one year but within two years	**36,139**	34,043
After two years but within five years	**120,245**	123,601
After five years	**3,965**	4,138
	160,349	161,782
	276,804	294,708

15. BANK LOANS AND OVERDRAFTS (continued)

The bank loans and overdrafts were secured as follows:

	At 31 December 2011	At 30 June 2011
	$'000	*$'000*
Overdrafts *(note 14)*		
— unsecured	**7,635**	10,136
— secured	**1,729**	919
	9,364	11,055
Bank loans		
— unsecured	**138,351**	147,153
— secured	**129,089**	136,500
	267,440	283,653
	276,804	294,708

The carrying values of assets secured for bank loans and overdrafts were as follows:

	At 31 December 2011	At 30 June 2011
	$'000	*$'000*
Fixed assets	**64,839**	68,018
Interests in leasehold land held under operating leases	**12,323**	12,458
Plantation assets	**236,533**	259,080
Pledged bank deposits	**2,757**	3,873
	316,452	343,429

At 31 December 2011, a bank loan of the Group amounting to $30,000,000 (30 June 2011: $35,000,000) was secured by the Group's shares in Lingui Developments Berhad.

The banking facilities of the Group amounting to $332,285,000 (30 June 2011: $345,049,000) were utilised to the extent of $276,804,000 (30 June 2011: $294,708,000) as at 31 December 2011.

All of the Group's banking facilities are subject to the fulfilment of covenants, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants.

16. TRADE AND OTHER PAYABLES

	At 31 December 2011 $'000	At 30 June 2011 $'000
Trade payables	**60,595**	71,357
Other payables	**37,516**	35,393
Accrued expenses	**41,779**	39,913
Amount due to an associate	**4,723**	3,468
Derivative financial instruments	**10,942**	12,083
	155,555	162,214

Included in the Group's trade payables are amounts due to associates and related parties of $766,000 (30 June 2011: $625,000) and $6,800,000 (30 June 2011: $2,564,000) respectively, as at 31 December 2011.

The amount due to an associate is secured, interest-bearing at a rate of 9% per annum and repayable on 28 March 2012.

An ageing analysis of trade payables from the date of billing is as follows:

	At 31 December 2011 $'000	At 30 June 2011 $'000
Within 30 days	**23,038**	33,523
31–60 days	**6,241**	12,996
61–90 days	**6,985**	4,606
91–180 days	**10,858**	7,134
181–365 days	**7,704**	8,924
1–2 years	**5,715**	3,673
Over 2 years	**54**	501
	60,595	71,357

17. CONTINGENT LIABILITIES

The status of the legal claims stated in the 2011 Annual Financial Statements remains unchanged as at 31 December 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

Key Financial Highlights

Segment Revenue	Logs*	Plywood and veneer	Flooring products	Other operations	Eliminations	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
For the six months ended 31 December 2011						
External customers	197,859	97,139	61,294	49,184	—	405,476
Inter-segment revenue	45,779	14,571	—	5,425	(65,775)	—
Total revenue	243,638	111,710	61,294	54,609	(65,775)	405,476
For the six months ended 31 December 2010						
External customers	159,937	87,875	44,421	58,680	—	350,913
Inter-segment revenue	53,627	13,184	4,964	3,457	(75,232)	—
Total revenue	213,564	101,059	49,385	62,137	(75,232)	350,913
For the six months ended 31 December 2011						
Gross profit	24,585	5,631	13,974	7,562	—	51,752
Gross profit margin (%)	10.1	5.0	22.8	13.8	—	12.8
Percentage of segment contribution (%)	47.5	10.9	27.0	14.6	—	100.0
For the six months ended 31 December 2010						
Gross profit/(loss)	22,056	(2,533)	8,652	10,837	—	39,012
Gross profit/(loss) margin (%)	10.3	(2.5)	17.5	17.4	—	11.1
Percentage of segment contribution (%)	56.5	(6.5)	22.2	27.8	—	100.0

* *Logs comprise hardwood and softwood logs*

Profit Attributable to Equity Shareholders of the Company

	Six months ended 31 December	
	2011	2010
	US$'000	*US$'000*
Gross profit	**51,752**	39,012
Other expenses net of other income before gain/loss from changes in fair value of plantation assets less estimated point-of-sale costs	**(33,618)**	(28,359)
(Loss)/gain from changes in fair value of plantation assets less estimated point-of-sale costs	**(4,258)**	12,377
Profit from operations	**13,876**	23,030
Net financing (costs)/income	**(6,518)**	6,928
Share of profits less losses of associates and jointly controlled entities	**2,464**	12,270
Profit before taxation	**9,822**	42,228
Income tax	**(5,452)**	(6,783)
Profit for the period	**4,370**	35,445
Non-controlling interests	**(4,303)**	(12,233)
Profit attributable to equity shareholders of the Company	**67**	23,212

Review of the Group's Results

While the global economic environment has improved considerably in the aftermath of one of the most severe financial crisis in modern history, recovery has been uneven. For advanced economies, recovery and pace of growth remained subdued, dampened by the sovereign debt crisis in Europe. On the back of this fragility of recovery in the global economy, the Group's operating results for the financial period under review stood at about the same level as that of the second half of the preceding financial year, although when compared to the corresponding preceding financial period, it was better. Demand from the Group's key markets of the People's Republic of China ("PRC"), India and Japan did not increase over the second half of the preceding financial year and remained generally stagnant. However, demand from these markets was higher compared to the corresponding preceding financial period. The Group's logs segment was the main contributor to the Group's results.

Review of the Group's Results (continued)

Revenue achieved of US$405.5 million was 15.5% higher than that of the corresponding preceding financial period. After recognising a loss of US$4.3 million from changes in fair value of plantation assets less estimated point-of-sale costs (compared to a gain of US$12.4 million in the corresponding preceding financial period), the Group recorded a profit from operations of US$13.9 million. Contribution from the Group's share of profits less losses of an associate in the oil palm plantation business at US$2.2 million was lower compared to US$11.7 million in the corresponding preceding financial period as crude palm oil prices took a dip.

While the Group achieved a profit before taxation of US$9.8 million, the loss recognised from changes in fair value of plantation assets less estimated point-of-sale costs and lower contribution from its oil palm plantation associate resulted in a US$32.4 million decrease in profit before taxation compared to the corresponding preceding financial period. After accounting for non-controlling interests of US$4.3 million, profit attributable to equity shareholders of the Company was US$0.07 million compared to US$23.2 million in the corresponding preceding financial period. In terms of operating cash flow before changes in working capital, the Group achieved US$64.8 million which was 14.1% higher than that of the corresponding preceding financial period.

Review of Business Segment Results

Logs

Starting from the year ended 30 June 2011, the financial results of hardwood logs and upstream support which were reported as two separate operating segments in previous years' financial statements have been consolidated and reported to the Group's senior executive management as one single operating segment for the purposes of resources allocation and performance assessment.

Logs segment accounted for approximately 48.8% and 45.6% of the Group's total revenue for the financial period under review and the corresponding preceding financial period respectively. For the financial period under review, the logs segment's contribution to the Group's revenue and gross profit was about US$197.9 million and US$24.6 million respectively. The total volume of hardwood logs sold to external customers was 1.1 million cubic meters ("m^3"), of which 0.4 million m^3 was exported, was 24.9% higher than that of the corresponding preceding financial period. Average export prices achieved was US$223.4 per m^3 which was US$35.9 per m^3 higher than the corresponding preceding financial period. Similarly, softwood logs sales volume and average prices improved to 0.3 million m^3 and US$100.3 per m^3 respectively, which was 15.5% and 2.9% higher than the corresponding preceding financial period.

Review of Business Segment Results (continued)

Logs (continued)

Although total log volumes sold to India and the PRC by the Group have remained relatively stable, demand from these two key markets have shown signs of slowing down over the financial period under review. The PRC government's effort in cooling down the overheated housing sector through various measures has had its effects to the prices and demand. India buyer's purchasing power has also eroded during the latter part of financial period under review as the Rupee depreciated against the US Dollar, impacting timber demand. The slowdown in the PRC and India was further aggravated by the general negative outlook for the world economy as uncertainty looms over the contagion effects of the European sovereign debt crisis. For the financial period under review, sales to India and the PRC accounted for about 29.9% and 32.1% respectively of the Group's total log export revenue. The Group also sold 42.7% of its hardwood logs production, mainly of those with smaller diameter to the domestic market. Both hardwood and softwood log export prices achieved were higher than the corresponding preceding financial period as the effects of the price increase during the fourth quarter of the previous financial year after the Japanese earthquake in March 2011 spilled over to the financial period under review although it gradually tapered off. The increase in softwood log production and sales was also in line with the maturity profile of the Group's New Zealand forest plantation.

The Group continues to keep a close watch over log extraction cost, especially fuel and spare parts, to ensure that its log extraction unit cost is well contained. Recognising that machinery operational efficiency is a key factor to maintain cost competitiveness, the Group maintained a proactive approach by paying close attention on equipment management to ensure that all machines and equipment are optimally utilised and breakdowns are minimised.

In New Zealand, of which the Group has 25,246 hectares of planted *radiata pine* forest, road upgrading and other infrastructure work is on-going as part of the preparatory work in anticipation of higher harvest volumes of softwood as the plantation matures. Going forward, this softwood plantation resource will provide a sustainable woodflow to complement the woodflow from the Group's natural forest concessions.

Plywood and Veneer

Plywood and veneer contributed 24.0% to the Group's total revenue for the financial period under review. Total external plywood volumes sold for the financial period under review was 133,294 m^3 which was 10.2% lower than the corresponding preceding financial period. However, average prices achieved was 23.1% higher compared to the corresponding preceding financial period.

Review of Business Segment Results (continued)

Plywood and Veneer (continued)

Plywood sales to Japan, although higher than the pre-earthquake corresponding preceding financial period, remained generally lacklustre due to the lack of concrete leads from this market. After the incentives for building energy-saving homes expired in July 2011, housing starts recorded four consecutive monthly drops from September 2011. Buyers were also unwilling to commit to more volumes due to the uncertainty of demand. The rate of reconstruction activities in areas affected by the earthquake did not commence as fast as expected and the boost to wood demand that was initially forecasted after the earthquake also did not materialise. As a result, plywood prices gradually eased off over the months from the highs in March and April 2011 right after the earthquake. However, compared to the corresponding preceding financial period pre-earthquake average prices of about US$463.0 per m^3, prices achieved for the financial period under review was still a 23.1% higher at about US$570.1 per m^3. The Group's total export volumes to Japan which accounted for 57.4% of the Group's total export plywood sales was 19.3% lower than that of the corresponding preceding financial period. To mitigate the depressed demand from Japan, the Group shifted focus to other markets, including Australia, which fetched higher prices.

In the financial period under review, the volume of veneer sold by the Group to external customers was 5.1% lower than the corresponding preceding financial period. The Group utilised 26.0% of its veneer production in its plywood mills for further processing while the remaining of 74.0% were either exported or sold locally. Average veneer prices improved to US$329.7 per m^3 from US$283.0 per m^3 fetched in the corresponding preceding financial period. The improvement in prices was a result of the increased focus on the production of higher valued face and back veneer and the co-related effects on veneer prices brought about by the spike in plywood prices after the Japanese earthquake. The effects of the spike in prices was still felt in the financial period under review, although there were signs of prices gradually easing off.

The plywood and veneer segment reported gross profit margin of 5.0%, which improved over the negative margin of 2.5% in the corresponding preceding financial period. As margins remained slim, the Group continued to place emphasis on the cash cost of production to ensure that at all times on cash cost basis, gross profit is positive.

Review of Business Segment Results (continued)

Flooring Products

In the financial period under review, the Group continued to increase its flooring products sales through its PRC based Elegant Living group of companies. Revenue from external flooring sales improved to US$61.3 million, an increase of 38.0% compared to the corresponding preceding financial period. In terms of sales mix, 65.3% of the sales were from laminated flooring and the remaining was from engineered flooring and solid flooring. The flooring products market in the PRC has shown signs of slowing down as the rapid growth of the housing sector declined with various measures introduced by the PRC government to prevent further overheating to the housing sector. The generally negative outlook for the world economy also affected the confidence of property developers to aggressively launch new housing projects. To remain competitive and to capture a bigger market share in the PRC's highly competitive flooring market, Elegant Living has opened more distribution outlets, principally in the Western region of the PRC. In terms of gross profit and gross profit margins, the flooring products segment achieved US$14.0 million and 22.8% which was 61.5% and 30.3% respectively higher than that of the corresponding preceding financial period.

Other Operations

Other operations mainly comprise the production and sale of housing products, kitchen cabinets and wood chip which is the Group's long term strategy to move further downstream into producing more value added products, using either the Group's primary product of plywood or wood waste from its plywood operations as production input. This segment also includes quarry operations, rubber retread compound and property investment operations. With higher sales by the housing products division offset by lower sales recorded by the Group's distribution business in Australia, revenue from other operations of US$49.2 million was 16.2% lower than the corresponding preceding financial period. In term of gross profit, other operations achieved US$7.6 million which was 30.2% lower than the corresponding preceding financial period.

Net Financing (Costs)/Income

The Group recorded a net financing costs of US$6.5 million compared to a net financing income of US$6.9 million in the corresponding preceding financial period. This was mainly due to recognition of unrealised foreign exchange loss on the translation of US Dollar loan by a New Zealand subsidiary and unrealised loss arising from foreign currency deposits of US$1.6 million compared to an unrealised foreign exchange gain of US$13.1 million recognised in the corresponding preceding financial period.

Review of Business Segment Results (continued)

Share of Profits less Losses of Associates

The Group recognised a profit of US$1.5 million as share of profits less losses of associates compared to US$12.1 million in the corresponding preceding financial period. The lower profit was principally attributable to a loss of US$2.2 million from changes in fair value of oil palm plantation assets less estimated point-of-sale costs recognised by an associate due to lower crude palm oil price which offset a higher operating profit from the associates.

Share of Profits less Losses of Jointly Controlled Entities

The Group recorded a profit of US$1.0 million as net share of profits less losses of jointly controlled entities which was US$0.9 million above that of the corresponding preceding financial period. This increase was primarily attributable to various measures taken to contain cost and the sale of higher value doorskins.

Income Tax

An income tax expense of US$5.5 million was recognised during the financial period under review as compared to US$6.8 million in the corresponding preceding financial period. The effective tax rate for the financial period under review was higher than the statutory tax rate because certain subsidiaries incurred losses during the financial period where no deferred tax assets have been recognised for such tax losses at 31 December 2011.

Liquidity and Financial Resources

As at 31 December 2011, the Group's cash and bank balances amounted to US$116.0 million compared to US$126.0 million as at 30 June 2011.

The gearing ratio was 23.8% and 23.7% as at 31 December 2011 and 30 June 2011, respectively. The gearing ratio is derived by dividing the total of bank overdrafts, loans and obligations under finance leases by total assets. The gearing ratio remained relatively stable in the financial period under review compared to 30 June 2011.

Liquidity and Financial Resources (continued)

Available facilities that were not drawn down as at 31 December 2011 amounted to US$55.5 million compared to US$50.3 million as at 30 June 2011. At 31 December 2011, the Group has outstanding indebtedness of US$320.1 million compared to US$328.9 million as at 30 June 2011. Of the US$320.1 million of indebtedness, US$131.1 million is repayable within one year with the balance of US$189.0 million having a maturity of more than one year as presented below:

	US$ million
Within one year	131.1
After one year but within two years	54.6
After two years but within five years	130.4
After five years	4.0
Total	320.1

	US$ million
Secured	174.1
Unsecured	146.0
Total	320.1

The indebtedness carry interest rates ranging from 2.0% to 8.5% per annum.

Employees

As at 31 December 2011, the Group employed a total of 13,560 employees. Employees were remunerated on the basis of their performance, experience and prevailing industry practices. The Group's remuneration policies and packages were reviewed on a regular basis. As an incentive for the employees, bonuses and cash awards may also be given to employees based on individual evaluation.

Pursuant to the written resolutions passed by the shareholders of the Company on 2 February 2007 and the directors on 4 February 2007, the Company has conditionally adopted a share option scheme. As at 31 December 2011, there were no options granted to any employees.

Prospects and Future Plans

According to IMF's January 2012 World Economic Outlook Update report, global recovery is threatened by intensifying strains in the Euro-zone and economic fragility in various parts of the world. Financial conditions have deteriorated, growth prospects have dimmed, and downside risks have escalated. This is largely because the Euro-zone's economy is now expected to go into a mild recession in 2012 as a result of the rise in sovereign yields, the effects of bank deleveraging on the real economy, and the impact of additional fiscal consolidation. Growth in emerging and developing economies is also expected to slow down because of the worsening external environment and a weakening of internal demand.

The performance of the Group in the second half of the financial year is expected to be under much pressure unless demand of logs from the PRC and India improves and post-earthquake reconstruction activities in Japan accelerate.

The timing of Japan's major reconstruction activities in areas affected by the earthquake and tsunami will be a key impetus for an increase in plywood demand and hopefully selling prices. The PRC's large population with its rapid urbanisation and rising level of affluence is expected to provide the foundation for the PRC economy to remain relatively robust. In spite of a slowdown in economic activities, the PRC will remain a large importer of wood products globally. However, there will likely be more competition amongst producer countries to supply to this important market. India, even with its economy possibly growing at a slower pace, will continue to be a key market for the harder log species, the natural specifications of which meet Indian consumers' requirements.

Operating under a challenging environment with uncertain outlook and likely greater competition, as various producers strive to increase or at least maintain market share in a likely lower demand base, the Group recognises the continuing need to be lean and efficient.

Interim Dividend

The Board does not recommend the payment of interim dividend for the six months ended 31 December 2011. Accordingly, no disclosure of the Register of Members of the Company is proposed.

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

The Group had no material acquisition or disposal of subsidiaries and associated companies during the financial period ended 31 December 2011.

Purchase, Sale or Redemption of the Listed Securities of the Company

The Company repurchased a total of 7,256,000 ordinary shares of US$0.10 each from the open market for a total consideration of US$386,000 during the period ended 31 December 2011.

Other than the above-mentioned, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the financial period ended 31 December 2011.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Compliance with the Code on Corporate Governance Practices

The Board of Directors (the "Board") is committed to maintaining its high standards of corporate governance based on its established corporate governance practices in accordance with the code provisions of corporate governance contained in the Code on Corporate Governance Practices ("the CG Code") as set out in the Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules"). The Board is accountable to the Company's shareholders for good governance in directing and controlling the business of the Group.

The Board is pleased to report that the Company has been in full compliance with the code provisions and most of the recommended best practices in the CG Code throughout the six months period ended 31 December 2011 except for Code Provision A.4.1 in respect of the specific term of non-executive directors. The Code Provision A.4.1 has been met by the bye-laws requiring that in each annual general meeting of the Company, one-third of the directors retire from office by rotation so that every director shall be subject to retirement of at least once in every three years. The detailed biography of such directors, eligible for re-election, will be stated in the notice of the annual general meeting.

The Board had received assurance from the Audit Committee that the system of internal control and internal audit function has been operating effectively during the period. On 19 February 2012, the Audit Committee reviewed the Group's unaudited interim financial statements for the six months period ended 31 December 2011 and resolved to submit the interim financial report to the Board for approval.

The Audit Committee, Remuneration Committee, Nomination Committee and Independent Non-Executive Directors ("INED") Committee continued to discharge their duties and responsibilities in accordance with the authorities specified in its terms of reference, which are made available on the Company's website at www.samling.com.

In accordance with the arrangements disclosed in the Prospectus, the INED Committee is required to review whether or not to exercise any of the call options granted to the Company in respect of the Remaining Businesses held by the Controlling Shareholders of the Company under the Call Option agreement on a quarterly basis.

Compliance with the Code on Corporate Governance Practices (continued)

The INED Committee has reviewed the relevant information up to or as at 13 February 2012, and has decided not to exercise any of the call options granted to the Company under the Call Option agreement.

In accordance with the arrangements disclosed in the Prospectus, the INED Committee is required to review whether or not to pursue or decline any investment or other commercial opportunity referred to the Company by the Controlling Shareholders of the Company under the non-competition agreement entered into between the Company and the Controlling Shareholders. No such investment or other commercial opportunity has been referred to the Company by the Controlling Shareholders of the Company for consideration by the INED Committee.

Directors' Securities Transactions

The Group has adopted a Code of Conduct regarding securities transactions by Directors on terms no less exacting than the required standards set out in the Model Code (Appendix 10 to the Listing Rules). The Board confirms that, having made specific enquiry, the Directors have complied with the required standards set out in the Model Code throughout the six months period ended 31 December 2011.

Publication of Interim Results and Interim Report

This results announcement is available for viewing at the website of Hong Kong Exchanges and Clearing Limited at *www.hkex.com.hk* and at the website of the Company at *www.samling.com*. The interim report will be dispatched to shareholders and published on the above websites as soon as practicable.

By Order of the Board of
Samling Global Limited
Chan Hua Eng
Chairman

Hong Kong, 19 February 2012

At the date of this announcement, the board of directors of Samling Global Limited comprises the following directors:

Executive Director
Yaw Chee Ming

Non-Independent Non-Executive Director
Chan Hua Eng

Independent Non-Executive Directors
Fung Ka Pun
David William Oskin
Tan Li Pin, Richard
Amirsham A Aziz