

# **SAMKO TIMBER LTD**

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

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## **ACQUISITION OF A NEW SUBSIDIARY**

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The Board of Directors (the "Board") of Samko Timber Ltd (the "Company") wishes to announce that the Group, through its subsidiary, PT Anugrah Karunia Alam ("AKA"), has entered into a deed of transfer to acquire 65% of the equity interests of an inactive company, PT Cipta Graha Kreasindo ("CGK") for a consideration equivalent to CGK's paid-up share capital of Rp65 million (approximately S\$9 thousand). The remaining 35% equity interests of CGK shall be owned by Koperasi Karyawan PT Panca Usaha Palopo Plywood ("KK Palopo"). KK Palopo is a cooperative entity established in Indonesia in 1997 and it is owned and managed by employees of the Group's subsidiary, PT Panca Usaha Palopo Plywood.

CGK will be used as the company to carry out the business of constructing housing and buildings with wood based emphasis. CGK will source its wood based materials primarily from the Group, thus giving the Group an added avenue for growth. The venture is in line with the Group's strategy of going downstream.

CGK was incorporated in Jakarta, Indonesia, as a limited liability company and currently, it has an authorised and paid-up share capital of Rp200 million and Rp100 million respectively. Upon commencement of the business, its authorised and paid-up share capital will be increased to Rp20 billion and Rp5 billion respectively. Both, AKA and KK Palopo shall contribute proportionately to the share capital of CGK in cash. The transaction, including the business licenses shall be subject to the approvals of the relevant authorities.

The Group will fund the above venture internally and the financial position and results of CGK are not expected to have any material impact on the consolidation net assets and earnings of the Group for the current financial year ending 31 December 2012.

None of the Directors or the substantial shareholders of the Company has any interest, direct or indirect, in the above transaction.

### **By Order of the Board**

Aris Sunarko @ Ko Tji Kim  
Chief Executive Officer  
26 June 2012