

SAMKO TIMBER LIMITED

(Company Registration No.: 200517815M)

(Incorporated in Singapore)

RESPONSE TO SGX-ST QUERIES ON SECOND QUARTER RESULT ANNOUNCEMENT – 2Q 2013

In response to the Singapore Exchange Securities Trading Limited's ("SGX-ST") queries on 13 August 2013 regarding the Company's Second Quarter Result Announcement – 2Q 2013, the Board of Directors (the "Board") wishes to provide the following information:-

SGX-ST Query:

We note that Trade and Other Receivables increased from Rp 127,539 million as at 31 December 2012 to Rp 154,186 million as at 30 June 2013. Please explain the reason(s) for the increase and provide the turnover days for these debts. Please also disclose whether the Company foresees any issue with the collection of these debts.

The Company's Response:

The trade and other receivables increased by Rp26,647 million as compared to 31 December 2012 was mainly due to:

- The surge in our sales and some of these transactions took place near reporting period; and
- As at 30 June 2013, the Group reported a claim receivable from an insurance company of Rp9,536 million (classified as other receivable). The claim was made by a subsidiary for damaged machineries. No such accrual made as of 31 December 2012.

Our Days Sales Outstanding (DSO) for 1H 2013 increased to 17 days compared to 16 days in FY2012, the average collection period is still in line with the Group's general credit period.

As at the date of report, the Group is of view that these receivables are collectible.

BY ORDER OF THE BOARD

Aris Sunarko @ Ko Tji Kim
Chief Executive Officer
14 August 2013