

SAMKO TIMBER LIMITED

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

REORGANISATION OF THE GROUP STRUCTURE

The board of directors (the “**Board**” or the “**Directors**”) of Samko Timber Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that it is undertaking a reorganisation of the Group structure (the “**Reorganisation**”) in order to stream line the Group’s operations. The Reorganisation involves, amongst other things, a tax review of the Company’s Indonesian subsidiaries.

As a result of the Reorganisation, the Company’s Indonesian subsidiaries may no longer be entitled to the benefit of certain tax assets arising from income tax, VAT and fiscal losses for the years up to 31 December 2015, and it is expected that the Group will write-off these tax assets amounted to approximately Rp83 billion in the nine-month period ended 30 September 2016.

The Company believes that it is in the interest of, and provides commercial benefit to, the Group to undertake the Reorganisation of the Group structure in order to improve efficiency and increase profits in the long term.

By Order of the Board

Riko Setyabudhy Handoko
Executive Director and Chief Executive Officer
7 October 2016