

**SAMKO TIMBER LIMITED**

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

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**CLARIFICATION ANNOUNCEMENT IN RELATION TO THE PROPOSED DISPOSAL OF TWO PARCELS OF LAND AND THE ACCOMPANYING BUILDINGS LOCATED IN TANGERANG, BANTEN / WEST JAVA, INDONESIA OWNED BY PT SUMBER GRAHA SEJAHTERA, A SUBSIDIARY OF SAMKO TIMBER LIMITED**

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*Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the announcement released by Samko Timber Limited (the “Company”, and together with its subsidiaries, the “Group”) on 9 October 2017.*

The board of directors (the “Board”) of the Company refers to the Company’s announcement regarding the Proposed Disposal released on and dated 9 October 2017 (the “9 October Announcement”).

The Company would like to clarify as follows:

**1. Clarification on the relative figures under Chapter 10 of the Listing Rules in relation to the Proposed Disposal (Section 2.4 of the 9 October Announcement)**

For the purposes of Chapter 10 of the Listing Rules, the relative figures computed on the bases set out in Rule 1006 of the Listing Rules based on the latest announced unaudited consolidated financial statements of the Group for the financial period ended 30 June 2017 (“HY2017”) are set out below:

BASE OF CALCULATION		RELATIVE FIGURES
(a)	The net asset value (“NAV”) of the Assets to be disposed of, compared with the Group’s NAV	137% <sup>(1)</sup>
(b)	The net profits <sup>(2)</sup> attributable to the Assets disposed of, compared with the Group’s net profits	Not meaningful <sup>(3)</sup>
(c)	The aggregate value of the Consideration received, compared with the Company’s market capitalisation <sup>(4)</sup> of S\$80,720,000 <sup>(5)</sup> based on the total number of issued shares excluding Treasury Shares	8%
(d)	The number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities of the Company previously in issue	This basis is not applicable as the Proposed Disposal does not entail the issuance of equity securities by the Company as consideration for the Proposed Disposal
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves	This basis is not applicable as it is only applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company

**Notes:**

- (1) Based on the NAV of the Assets, being approximately IDR 26,865,000,000 (which is approximately equivalent to S\$2,703,758 based on an approximate exchange rate of S\$1.00 : IDR 9,936.17 as at 9 October 2017) as at 30 June 2017, compared with the Group's NAV, being approximately S\$1,972,994 for HY2017, based on the latest announced consolidated accounts of the Group for HY2017.
- (2) Under Rule 1002(3)(b) of the Listing Rules, "**net profits**" means profit or loss before income tax, minority interests and extraordinary items.
- (3) The net profits attributable to the Assets for the purposes of this calculation is computed based on the unaudited net profits of the Vendor for HY2017 of IDR 33,864,000,000 (which is approximately S\$3,408,138 based on an approximate exchange rate of S\$1.00 : IDR 9,936.17 as at 9 October 2017). The relative figure computed on the base set out in Rule 1006(b) is not meaningful as it is a **negative** figure of 71% based on the Group's unaudited net loss for HY2017, which was an amount of S\$4,780,413.
- (4) Under Rule 1002(5) of the Listing Rules, "**market capitalisation**" is determined by multiplying the number of Shares in issue by the weighted average price of Shares transacted on 6 October 2017, being the market day preceding the date of the SPA.
- (5) The Company's market capitalisation is computed based on the number of issued Shares on 6 October 2017 of 2,374,117,647 Shares, and the weighted average price of Shares transacted on 6 October 2017 of S\$0.034 per Share.

As the relative figure computed on the basis set out in Rule 1006(a) of the Listing Rules exceeds 20%, the sale of Assets under the Proposed Disposal constitutes a "**major transaction**" under Chapter 10 of the Listing Rules and is therefore subject to Shareholders' approval.

**2. Clarification on typographical error**

Based on the Group's unaudited consolidated financial statements of the Group for HY2017, the book value attributable to the Assets as at 30 June 2017 is approximately IDR **26**,865,000,000, and not IDR 28,865,000,000 (as previously stated in Section 2.7.1 of the 9 October Announcement).

**BY ORDER OF THE BOARD**

Riko Setyabudhy Handoko  
Executive Director and Chief Executive Officer

13 October 2017