

SAMKO TIMBER LIMITED

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

MERGER OF SUBSIDIARY COMPANIES IN INDONESIA

The board of directors (the “**Board**”) of Samko Timber Limited (the “**Company**”) together with its subsidiaries, the “**Group**”) wishes to announce that the Company has undertaken an internal restructuring, which involves the merging of the following subsidiaries of PT Sumber Graha Sejahtera (“**PT SGS**”), a direct subsidiary of the Company in Indonesia, into PT SGS:-

- (1) PT Panca Usaha Palopo Plywood;
- (2) PT Putra Sumber Utama Timber;
- (3) PT Sejahtera Usaha Bersama;
- (4) PT Makmur Alam Sentosa;
- (5) PT Makmur Alam Lestari;
- (6) PT Putra Sumber Kresitama;
- (7) PT Mitra Lestari Abadi;
- (8) PT Dinamika Maju Bersama;
- (9) PT Musi Rawas Lestari Makmur;
- (10) PT Surya Sumber Rejeki;
- (11) PT Nusantara Makmur Sentosa;
- (12) PT Kreatif Cipta Bersama;
- (13) PT Kreasi Putra Pratama; and
- (14) PT Sulawesi Powerindo,

(the “**Merger**”).

The Merger has taken effect on 6 November 2017.

As part of the Company’s efforts to streamline and rationalize the Group’s structure, the Company believes that the Merger of the Group’s subsidiaries in Indonesia into one entity, PT SGS, would strengthen the corporate branding, improve efficiency, reduce the operational costs, and enhance and improve the business performance.

Prior to the Merger, PT SGS is a 99.99% owned by the Company and 0.01% owned by PT Buana Semesta Alam (“**PT BSA**”), in which Mr Aris Sunarko, Mr Amir Sunarko and/or Mr Ambran Sunarko collectively hold or control directly and/or indirectly 100% equity interest in PT BSA. Mr Aris Sunarko and Mr Amir Sunarko are the substantial shareholders and Mr Ambran Sunarko is a Non-Executive Director of the Company.

As a result of the Merger, while through the Merger process, PT BSA simultaneously has sold and transferred all of its shares in PT SGS to PT Alam Raya Makmur, an in-direct subsidiary of the Company (the “**Transfer of Shares**”). The Company will therefore own directly and in-directly and/or has control over 100% shares of PT SGS consequent to the Merger and the Transfer of Shares.

The shareholding composition of PT SGS after the Merger and the Transfer of Shares is as follow:-

Shareholder’s name	Amount of Shares	Nominal Value of Shares (Rp)	Percentage (%)
- Samko Timber Limited	15,628,487	1,789,461,761,500	99.69
- PT Alam Raya Makmur	48,697	5,575,806,500	0.31
Total Issued Shares	15,677,184	1,795,037,568,000	100.00

Notes:

1. Before the Merger process taken place PT BSA hold approximately 0.4% shares in PT Putra Sumber Utama Timber, 1.93% shares in PT Putra Sumber Kreasitama, 1% shares in PT Sulawesi Powerindo, 0.067% shares in PT Makmur Alam Lestari, 1% shares in PT Mitra Lestari Abadi, and 0.01% shares in PT SGS;
2. PT SGS will register and report the Transfer of Shares with the relevant Government agency and/or authority, as required under the Indonesian company law, soon after the date of this announcement.

The above transaction is not expected to have any material impact on the net tangible assets and earning per share of the Company and the Group for the financial year ending 31 December 2017.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings and/or directorships in the Company, as the case may be), in the above transaction.

BY ORDER OF THE BOARD

Riko Setyabudhy Handoko
Executive Director and Chief Executive Officer

6 November 2017