

SAMKO TIMBER LIMITED

(Company Registration No.: 200517815M)

(Incorporated in Singapore)

RESPONSE TO SGX-ST QUERIES ON ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 ("FY2011")

In response to the Singapore Exchange Securities Trading Limited's ("SGX-ST") queries on 24 April 2012 regarding the Company's FY2011 Annual Report, the Board of Directors (the "Board") wishes to provide the following information:-

SGX-ST Query 1:

For the purpose of complying with Listing Rule 1207(10), please note that:-

- (a) "Absence of evidence to the contrary" disclaimer is not allowed in the opinion;
- (b) The Board and the Audit Committee must opine whether the internal controls are adequate to address all 3 areas of risks (ie financial, operational and compliance risks). "In its current business environment", "business operations" without mention of all the 3 risks areas are not acceptable; and
- (c) Both the Board and the AC must provide the opinion; "The Board and the AC believes" is not acceptable.

We note that the confirmation provided in your annual report is not consistent with some of the guidelines stated above. Hence, please announce a clean opinion that is in compliance with Listing Rule 1207(10).

The Company's Response:

The Company refers to the statements made on the Group's internal controls as set out under the section entitled "Principle 12: Internal Controls" on pages 32 and 33 of its Annual Report 2011 and confirms the following opinion, in compliance with Listing Rule 1207(10):

"Based on the work performed by the Internal Audit during the financial year, as well as the statutory audit by the external auditors, and the assurance from Management, the Board with the concurrence of the Audit Committee, is of the opinion that the system of internal controls in place is adequate to address all material respects of the financial, operational and compliance risks within the current scope of the Group's business operations."

SGX-ST Query 2:

We note that the Related Party Transactions disclosed in the financial statements (Page 108) are significant. If these transactions are considered IPTS, please ensure that these transactions are disclosed as per the format required in Listing Rule 907.

The Company's Response:

With the reference to the disclosure on the Interested Person Transactions ("IPTS") on page 108 of the Annual Report 2011, particulars of the IPTS in accordance with the format prescribed by the Listing Rule 907 are as follow:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	2011	
	Rp'million	Rp'million
PT Nelly Jaya Pratama Purchase of property, plant and equipment (The transaction was approved by shareholders on 10 August 2010 but completed in 2011)	25,000	-
PT Pelayaran Nelly Dwi Putri Time charter of tug and barges; and Freight expense (Transactions entered into pursuant to contract approved by shareholders on 10 August 2010)	21,316	-
PT Bioforest Indonesia Instalments for the purchase of trees (Transaction was entered into between parties prior to the IPO of the Company's shares)	4,873	-
Noah Shipping Pte Ltd Consulting service for trans-shipment	419	-
PT Wahana Sekar Agro Cooperation for cultivation of trees	2,721	-
PT Buana Sakti Office rental deposit (The transaction was conclusive after year end)	744	-

BY ORDER OF THE BOARD

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