

**SAMKO TIMBER LTD**

(the “**Company**”)

(Company Registration No. 200517815M)

(Incorporated in the Republic of Singapore)

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**SUBSCRIPTION OF 128,137,791 RIGHTS SHARES IN THE SHARE CAPITAL OF THE COMPANY’S SUBSIDIARY, PT SUMALINDO LESTARI JAYA TBK,**

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The Board of Directors of the Company (the “**Board**”) refers to the Company’s announcement released on 5 February 2010 in relation to the proposed rights issue of 1,236,022,311 new shares (the “**Rights Issue**”) in the capital of the Company’s subsidiary, PT Sumalindo Lestari Jaya Tbk (“**Sumalindo**”).

The Company, through its’ wholly-owned subsidiary, PT Sumber Graha Sejahtera (collectively “the Group”), owns 638,137,791 shares in Sumalindo. On the basis of one (1) rights share for every one (1) existing share held pursuant to the Rights Issue, the Group is entitled to subscribe for 638,137,791 new ordinary shares (the “**Entitled Rights Shares**”) in Sumalindo.

As announced on 5 February 2010, the Company had indicated in the Offer Information Statement dated 29 December 2009, that it did not intend to support any loans or inject any cash into the business or operations of Sumalindo but may, after taking into consideration the working capital requirement of the Group, participate in future equity fund raisings that of Sumalindo.

The Board, after taking into consideration the working capital requirement of the Group and the calculation of the financial effect of the dilution of the Group’s total shareholding interest in Sumalindo, has approved a partial participation in the Rights Issue, with the Group subscribing for 128,137,791 Rights Shares (the “**Subscribed Rights Shares**”) out of the 638,137,791 Entitled Rights Shares. The aggregate subscription price payable by the Group for the Subscribed Rights Shares is Rp.12,813,779,100 (equivalent to S\$1,952,350).

Following the subscription of the Subscribed Rights Shares, the Group’s total shareholding interest in Sumalindo will be diluted from 51.62% to 30.99%. Accordingly, Sumalindo will cease as a subsidiary of the Group and will be treated as an associate company, upon the completion of the Rights Issue.

The above transaction is expected to have positive material effect on the net tangible assets and earnings per share of the Company had the transaction been completed in the most recently completed financial year.

None of the Directors or the substantial shareholders of the Company has any interest, direct or indirect, in the above transaction.

By Order of the Board

Aris Sunarko@ Ko Tji Kim  
Chief Executive Officer  
1 April 2010