

SAMKO TIMBER LIMITED

(Company Registration No.: 200517815M)

(Incorporated in Singapore)

RESPONSE TO SGX-ST QUERIES ON FULL YEAR RESULT ANNOUNCEMENT - FY2012

In response to the Singapore Exchange Securities Trading Limited's ("SGX-ST") queries on 5 March 2013 regarding the Company's Full Year Result Announcement – FY2012, the Board of Directors (the "Board") wishes to provide the following information:-

SGX-ST Query:

We note that Trade Receivables increased by approximately 48.8% to Rp 127.5 million as at 31 December 2012 despite a 11% increase in revenue for FY2012. In this regard, please disclose the reasons for the increase in Trade Receivables and whether the Company foresees any issue with collection of these debts.

The Company's Response:

The trade and other receivables increased by Rp41,811 million as compared to 31 December 2011. This was mainly due to:

- The surge in our revenue during the year by 11%; and
- A higher proportion of the sales in 4Q2012 were transacted towards the end of the period compared to 4Q2011, which relatively pushed up our trade receivables at year end.

Our Days Sales Outstanding (DSO) for FY2012 increased to 14 days compared to 12 days previously, the average collection period is still in line with the Group's general credit period. The Group is of view that these receivables are collectible.

BY ORDER OF THE BOARD

Aris Sunarko @ Ko Tji Kim
Chief Executive Officer
6 March 2013