

SAMKO TIMBER LIMITED

(Company Registration No.: 200517815M)

(Incorporated in Singapore)

RESPONSE TO SGX-ST QUERY ON THIRD QUARTER 2013 RESULT ANNOUNCEMENT

In response to the Singapore Exchange Securities Trading Limited's ("SGX-ST") query on 20 November 2013 regarding the Company's Third Quarter 2013 Result Announcement, the Board of Directors (the "Board") wishes to provide the following information:-

SGX-ST Query:

We note that current Trade and Other Receivables increased 43% from Rp115,169 million as at 30 September 2012 to Rp164,664 million as at 30 September 2013 despite an increase in Revenue of 9% during the same period. In this regard, please explain the reasons for the increase in current Trade and Other Receivables and whether the Company foresees any issues with the collectability of these debts.

The Company's Response:

The trade and other receivables increased by Rp49,495 million as compared to those in 30 September 2012. This was mainly due to:

- The surge in our total revenue during third quarter by 13% compared to the corresponding quarter, especially our export sales increased by 30% in third quarter; and
- The weakening of Indonesia Rupiah in late 3Q 2013 had increased our trade receivable value denominated in US Dollars due to month-end translation, while our export sales were recorded using the average exchange rate during the period.

Our Days Sales Outstanding (DSO) for 9-month 2013 increased to 19 days compared to 14 days in 9-month 2012. The average collection period is still in line with the Group's general credit period.

As at the date of report, the Group is of view that these receivables are collectible.

BY ORDER OF THE BOARD

Aris Sunarko @ Ko Tji Kim
Chief Executive Officer
21 November 2013