

SAMKO TIMBER LIMITED

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

INTERESTED PERSON TRANSACTION

Introduction

The Board of Directors (the “**Board**”) of Samko Timber Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s subsidiaries, PT Sumber Graha Sejahtera (“**SGS**”) and PT Sejahtera Usaha Bersama (“**SUB**”) have entered into interested person transactions to purchase veneers from PT Wijaya Triutama Plywood Industri (“**Wijaya**”), an interested person defined under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

Details of the Interested Persons

Wijaya is a company in which Mr Aris Sunarko @ Ko Tji Kim (“**Mr Aris Sunarko**”), the Chief Executive Officer of the Company, and Mr Koh Tji Kiong @ Amir Sunarko (“**Mr Amir Sunarko**”), Non-Independent and Non-Executive Director of the Company, hold 40% and 10% equity interests respectively. Accordingly, all transactions entered into between SGS and SUB with Wijaya constitutes “interested person transactions” under Chapter 9 of the Listing Manual of the SGX-ST.

Terms of the Interested Person Transaction

The aggregate value of the transactions entered into between SGS and SUB collectively and Wijaya was IDR12.58 billion. The pricing of the products purchased was arrived at on a willing buyer and willing seller basis and the key terms of the said transactions are set out as follows:

Delivery	:	FOB Banjarmasin, Kalimantan
Payment terms	:	Cash on Delivery

The aggregate value of the latest transaction with Wijaya and all other transactions entered into with the same interested person for the financial year ending 31 December 2015 represents 4.85% of the Group’s latest audited net tangible assets of approximately IDR568,258 million as at 31 December 2014. As the aggregate value of those transactions have exceeded 3% but less than 5% of the Group’s latest audited net tangible assets, the Company is therefore required to make an immediate disclosure to SGX-ST of the interested person transaction as required under Rule 905 of the Listing Manual of the SGX-ST.

Rationale for and Benefit of the Interested Person Transaction

Owing to the increase in export sales, the Group faced shortages of certain types of veneers required for the production of plywood. To fulfil the demands, the Group had to source for the veneers from other suppliers. The Group purchased the veneers from Wijaya as the prices were competitive when compared to other suppliers and given the priority and flexibility in terms of delivery.

Audit Committee Statement

The Audit Committee of the Company has reviewed the terms of the said interested person transaction and is of the view that the transaction had been carried out on normal commercial terms and are not prejudicial to the interest of the Company and its minority shareholders.

Total Value of Interested Person Transaction

As at the date of the announcement, the current total value of all transactions with Mr Aris Sunarko, Mr Amir Sunarko and their associates whose transaction is the subject of the announcement and the current total value of all interested person transactions for the financial year ending 31 December 2015 are as follows:

Nature of Transaction	IDR million
Veneers purchased from Wijaya*	12,580
Freight services provided by PT Pelayaran Nelly Dwi Putri	8,391
Total	20,971

*The actual value of the interested person transaction will be dependent on the demand of plywood in the future and the Company will make such further announcement pursuant to Rule 905 of the Listing Manual of the SGX-ST or seek shareholders' approval for the transaction pursuant to Rule 906 of the Listing Manual of the SGX-ST as the case may be.

Interest of Directors and Substantial Shareholders

Save as disclosed above, none of the Directors or substantial shareholders of the Company has any, direct or indirect interest (other than through their shareholdings in the Company), in the interested person transaction.

By Order of the Board

Aris Sunarko @ Ko Tji Kim
Chief Executive Officer

13 August 2015