

## **SAMKO TIMBER LIMITED**

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

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### **QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE SGX-ST LISTING MANUAL**

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Samko Timber Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) was placed on the watch-list pursuant to Rule 1311(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST Listing Manual**”) on 3 March 2016 due to the Minimum Trading Price (“**MTP**”) entry criterion.

Pursuant to Rule 1313(2) of the SGX-ST Listing Manual, the board of directors (the “**Board**”) of the Company wishes to provide the following updates:-

#### **Unaudited Financial Performance and Financial Position**

Please refer to the Company’s results announcement for the financial period ended 30 September 2016 (“**3Q2016 Results Announcement**”), which has been released on 11 November 2016, for more details on the financial position of the Group.

#### **Future Direction and Other Material Development**

As mentioned in our 3Q2016 Results Announcement, our immediate plan is to improve the liquidity position of the Group, undertaking costs cutting and costs control measures, and improve the production efficiency.

Accordingly, the Company had made the relevant announcements in relation to the proposed disposal of shares in PT SLJ Global TBK (the “**Proposed Disposal**”) and the proposed renounceable non-underwritten rights issue (the “**Rights Issue**”) to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 15 August 2016 and 9 September 2016 respectively.

The Board is pleased to inform that the Proposed Disposal and the Rights Issue had been approved by the shareholders at the extraordinary general meeting of the Company held on 11 November 2016.

On 24 November 2016, the Company has concluded the Proposed Disposal, while the Rights Issue exercise is still ongoing as at the date of this announcement. The completion of the Proposed Disposal and the Rights Issue will therefore strengthen the liquidity and financial position of the Group.

The Board will continue to explore various options available to the Company to meet the requirements of the MTP exit criterion under Rule 1314(2) of the SGX-ST Listing Manual. The Board will also continue to monitor the situation closely amidst rising competition and uncertainty in the global economy for its removal from the watch-list within 36 months from 3 March 2016 to comply with the MTP requirement. The Company will keep shareholders informed of the outcome of the Board’s review as and when appropriate.

The Board would like to point out, however, that the SGX-ST has, on 23 August 2016, issued a news release proposing to make the entry criteria for the MTP watch-list more targeted with the addition of a market capitalisation test. The consultation therefore proposes that a company will be placed on the MTP watch-list if:-

- (a) the 6-month volume-weighted average price of its shares is below S\$0.20; and
- (b) its 6-month average daily market capitalisation is below S\$40 million.

Any change to the current requirement is expected to be implemented by June 2017, and accordingly, the Company may exit from the MTP watch-list if such revised MTP entry criterion is adopted. The Company will make further announcements as and when there are any subsequent developments.

The Company would like to notify all its shareholders and business partners that while the Company remains on the watch-list, the Company's business shall continue as usual and that trading in its securities will also continue unless a trading halt or suspension is effected.

By Order of the Board

Riko Setyabudhy Handoko  
Executive Director and Chief Executive Officer

2 December 2016